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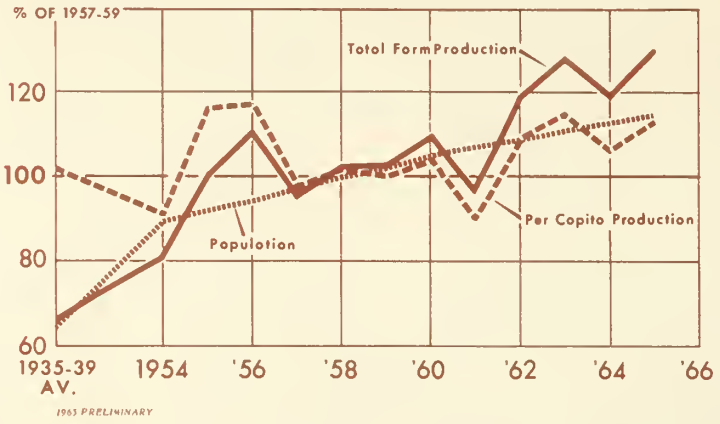
THE WESTERN HEMISPHERE AGRICULTURAL SITUATION

Review of 1965 and Outlook for 1966

U.S. DEPARTMENT OF AGRICULTURE
ECONOMIC RESEARCH SERVICE
Washington, D.C.

CANADA: Record Farm Output, Per Capita Output Up



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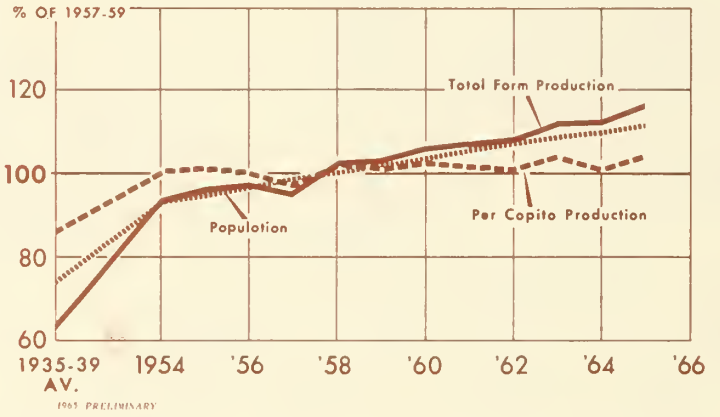
UNITED STATES: Farm and Per Capita Output At Record Level



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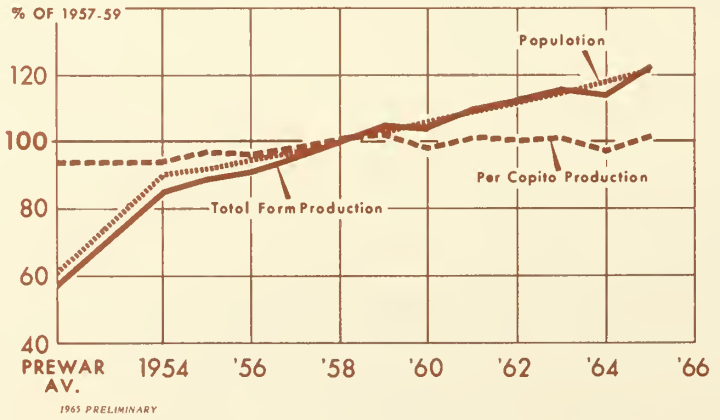
LATIN AMERICA: Farm and Per Capita Output Up Sharply



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TIME REFERENCES

Two facts create problems of time reference with respect to agricultural production in the Western Hemisphere. First, within any given country there is a lapse of several months between the harvest of the earliest crops and the latest crops in any season or year. Second, the harvests in the South Temperate Zone are approximately 6 months different in time from harvests of the same crops in the United States or Canada.

For many crops, the international crop year is considered to include the harvest season in the Northern Hemisphere and the following harvest season in the Southern Hemisphere. Thus, the international crop year for wheat begins with the Mexican harvest in April and ends with harvests in the Southern Hemisphere as late as the following February. Such crop years are indicated by split years, here identified by a diagonal stroke, as 1961/62, which indicate the 2 calendar years in which the crop year began and ended.

For other crops, especially tropical crops which can be harvested in any month (sisal or bananas for example), the crop year, internationally and in most countries, is the calendar year.

In computing indices for calendar years in this report, harvests which began in one calendar year and extended into the next were attributed to the year in which the bulk of the harvest fell.

In this report the time reference is generally clear from the context. Unless otherwise indicated, statistics of gross national product and related measures, production of livestock products, international trade, and indices of agricultural production relate to calendar years. Gross national product is current dollars and population is mid-year.

UNITS AND CONVERSION FACTORS

Standard U.S. units and conversion factors have been used unless otherwise noted. Metric tons and hectares have been generally used with other units identified. Food consumption estimates and USDA nutritional reference standards are at retail level with average daily per capita requirements as follows: Calories -- 2,700 for Canada and the River Plate countries of South America, 2,650 for the United States and Brazil, and 2,450 for Mexico and the Caribbean; protein -- 60 grams, including a minimum of 10 grams animal and 20 grams animal and pulse protein; and fat -- 15 percent of calories.

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Washington, D. C. March 1966

WESTERN HEMISPHERE AGRICULTURAL SITUATION

SUMMARY

Western Hemisphere agricultural output in 1965 recovered from the reduced level of the previous year. Output records were set in Canada, the United States, and Latin America. Increased production will assure domestic needs and increased export supplies.

The general upward trend in economic growth and foreign exchange reserves which began in 1964 continued into 1965. The outlook is generally good for 1966.

Agricultural output was up over 9 percent to an index of 130 for Canada, up nearly 4 percent to 116 for the United States, and up almost 8 percent to 123 for Latin America (1957-59=100).

Increased agricultural output in 1965 generally reflected the resumption of an upward trend, after a dip a year earlier, due to favorable growing conditions. For Canada, favorable growing conditions in the important Prairie Provinces more than offset the effects of drought in Eastern Canada. Although livestock output was up, a gain of 12 percent for crop production accounted for most of the increase. U.S. crop output was up 6 percent to more than offset a decline of 1 percent in livestock production.

For Latin America, agricultural output was up for Mexico, the Caribbean, Central America, and South America; per capita production was also up for the Caribbean and South America, with no change for Central America and a decline for Mexico. Total and per capita food and crop production followed similar trends, except that per capita food output was down and crops up for Central America. The production of livestock products showed an overall gain of nearly 3 percent, registering a per capita decline.

Hemisphere output of agricultural commodities for 1965/66 was up from a year earlier. Increased production of grains, sugar, vegetables and fruit, oilseed, coffee, and cocoa beans more than offset declines in livestock products, vegetable fibers, and tobacco.

Hemisphere agricultural exports were estimated to be up 10 percent to $13.8 billion for 1964 and imports up 3 percent to $6.7 billion. Both likely decreased in 1965 with gains probable this year. U.S. agricultural exports of $6.2 billion in 1965 were down slightly, while imports remained about the same at $4.1 billion. U.S. agricultural exports may increase this year but little change in imports is expected.

REGIONAL DEVELOPMENTS

Western Hemisphere political and economic conditions in 1965, with some exceptions, favored increased output and trade. A continued improvement was registered in economic growth rates and foreign exchange reserves. Although national elections are scheduled for several countries in 1966, the present outlook is for a continuation of these favorable trends in the present year.

High levels of industrial output with increased agricultural production resulted in a high per capita gross national product for most countries in 1965. Per capita gains of 7.1 percent were estimated for Canada over a year earlier and 6.1 percent for the United States. Latin America registered an estimated gain of 3.0 percent, continuing the general upward trend starting in 1964. Economic growth failed to keep pace with population growth in only 2 countries--the Dominican Republic and Chile. Countries meeting or exceeding Alliance for Progress goals of 2.5 percent per capita per year included Mexico, Jamaica, Trinidad and Tobago, Honduras, El Salvador, Brazil, Bolivia, Peru, Paraguay and Argentina. Of the 24 Hemisphere countries, gold and foreign exchange holdings were estimated to have increased in 13 in 1965.

Problems related to population, food supply, and land tenure continue as major factors in increasing economic and political stress, particularly for Latin America. Population of the Hemisphere totaled an estimated 457 million in 1965 of which Canada accounted for 4.3 percent; the United States, 42.6 percent; Latin American countries, 51.9 percent; and dependencies, 1.2 percent. Population growth in Canada and the United States is comparatively low and the number of people has increased at an estimated annual rate of about 1.9 percent and 1.6 percent, respectively, since 1958. However, the popuplation of the remainder of the Hemisphere has increased at an average annual rate of about 3.1 percent for this period. Comparable percentages for other areas are: Mexico, 3.1; Caribbean countries, 2.5; Central American countries, 3.2; South American countries, 2.8; and dependencies, 2.4.

In spite of some improvement, food supplies per capita remain near the 1959-61 level -- when 14 countries of the Hemisphere were deficient in caloric intake. Regional deficits also exist in other countries. The general pattern of land tenure, characterized by a combination of a few very large holdings and a great many small fragmented holdings, has changed little despite land reform laws enacted by most Latin American countries.

Agricultural output was up over 9 percent to an index of 130 for Canada, up nearly 4 percent to 116 for the United States, and up almost 8 percent to 123 for Latin America (1957-59=100). An increase of 12 percent in Canadian crop output overshadowed lesser gains for livestock. U.S. crop output was up 6 percent to more than offset a decline of 1 percent in livestock production. For Latin America, food output increased about 4 percent for no per capita gain. Crop production was up over 10 percent, a per capita gain of 7 percent. The production of livestock products in Latin America increased nearly 3 percent for a per capita decline of about 1 percent.

Mexican output increased over 1 percent in total -- more than 2 percent for food; over 1 percent for crops; and more than 1 percent for livestock. However, all 4 indices declined on a per capita basis.

Output of the 5 Caribbean countries increased more than 6 percent for a per capita gain of nearly 4 percent. Large gains in Cuba and significant increases in other countries offset a decline for the Dominican Republic. Food output increased almost

8 percent for a gain of over 5 percent per capita; crop output was up over 12 percent for an increase of more than 9 percent per capita; but livestock output declined over 5 percent in total and almost 8 percent per capita.

Central American production increased nearly 4 percent with no per capita change. A large gain for Honduras and smaller gains in Guatemala, El Salvador, Costa Rica, and Panama more than offset a decline in Nicaragua. Food output increased over 2 percent and crop output over 4 percent with output per capita down almost 1 percent and up nearly 1 percent, respectively. Livestock production showed no change but was down about 3 percent on a per capita basis.

South American production increased almost 10 percent for a per capita gain of over 7 percent. A 23 percent gain in Brazilian output, 17 percent per capita, accounted for most of the increase. Production was up for the other countries, except Peru, Chile, Argentina, and Uruguay, with a per capita output decline in Colombia. South American food output was up 4 percent for a 1 percent per capita gain; crop production was up 13 percent or 10 percent per capita; and livestock output was up nearly 3 percent but remained the same on a per capita basis.

Regional or international organizations affecting agricultural development and trade include the Latin American Free Trade Area, the Central American Common Market, and the Alliance for Progress.

Venezuela and Bolivia have announced their intention to join LAFTA, which aims at increased development and trade through free trade between the 9 members by 1973. However, LAFTA progress has been slow and little real change is evident in trade patterns to date.

CACM aims are similar but include a common external tariff to be achieved along with free trade between the 5 members by 1966. Largely as a result of meeting its free trade and common external trade objectives, trade between member countries of CACM increased from 7 percent to 19 percent of total member exports from 1959 to 1964. Imports increased from 6 percent to 16 percent of total member imports.

U.S. obligations and commitments under the Alliance were estimated at $1.3 billion for the year ending June 30, 1965; up 2.3 percent over a year earlier.

COMMODITY DEVELOPMENTS

Agricultural output of the Western Hemisphere for 1965/66 recovered from the reduced level of a year earlier to set a new record, due largely to the return of generally favorable growing conditions. Increased production of grains, sugar, vegetables and fruit, oilseed, coffee, and cocoa beans more than offset declines in livestock products, vegetable fibers, and tobacco.

Hemisphere agricultural exports, representing about 40 percent of the world total, were estimated at $13.8 billion in 1964. However, the value of farm exports likely declined in 1965, reflecting the dip in agricultural output for 1964/65 and weaker prices for most commodities. Agricultural imports by the Hemisphere were also likely down in 1965 from the $6.7 billion estimated for 1964, but still accounted for approximately one-fifth of the world total.

GRAINS

Grains are the most important commodity group in the Hemisphere. They occupy more than 120 million hectares or over one-half the land in annual crops, supply 30 percent of the caloric value of food consumed as well as feed for livestock, account for about 32 percent of the value of farm exports, and make up about 8 percent of the value of agricultural imports. Wheat, rice, corn, and other coarse grains account for almost all of the grain.

Wheat production in the Hemisphere at 66.0 million tons for 1965/66 is only slightly below the 1964/65 crop of 66.6 million tons, but almost 26 percent above the 1955/56-1959/60 average. Exceptionally good crops in the United States, Canada and Mexico were offset by a sharp reduction in the Argentine crop and declines in Brazil, Uruguay, and Chile.

Hemisphere wheat stocks willlikely be sharply reduced in 1966, continuing the downward trend of recent years. Stocks of wheat of the 3 major wheat exporters rose slightly as of July 1, 1965, to 46.1 million tons, compared to 45.3 million tons the year before, but were 19 percent below the 1960/62 average and 11 percent below the 1955/59 average.

Hemisphere wheat exports in 1965 were estimated at 39.6 million tons, off 6 percent from a year earlier. However, lower prices are expected to contribute to an increase in 1966, surpassing the record 1964 level of 42.0 million tons, aided by increased imports by India and the Communist bloc countries. Hemisphere imports in 1965 were probably down to less than 5 million tons, largely resulting from decreased imports by Brazil, with a sharp increase expected in the present year.

Wheat trade is largely within the framework provided by the International Wheat Agreement of 1962. With low prices for wheat in 1965, the threat to the Agreement's minimum price objective of $1.625 per bushel was of great concern to the Hemisphere's 4 exporting and 9 importing members. Some relief was provided by continued imports of wheat by the USSR and Mainland China.

Rice production continued a strong upward trend in the Hemisphere with output estimated at about 12.5 million tons for 1965/66, slightly under last year's record output. U.S. production at 3.5 million tons for 1965/66 set a new record as yields reached a high of 4,289 pounds per acre. Little change is estimated for Brazilian output; production for Colombia, Central America, and Mexico is up with others down.

Hemisphere exports were probably up from the estimated 1.54 million tons in 1964 and are expected to continue upward in 1966 as world supplies are down slightly and prices edged downward again in 1965. U.S. exports reached a record 1.58 million tons in 1965, and accounted for about 85 percent of Hemisphere exports. Imports were probably also up from the 515,000 tons estimated for 1964, with gains expected for this year.

Record Hemisphere production of coarse grains -- corn, sorghum, oats, barley, rye, and mixed grains for Canada -- is indicated for 1965/66. The estimate of 196.2 million tons is 14 percent over the short crop of the previous year and 23 percent over the average for 1955/56-1959/60. Record output in the United States, a near record in Canada, a large increase in Argentina, and gains in other countries account for the increase.

Hemisphere coarse grain exports totaled an estimated 26.7 million tons in 1965, up nearly 14 percent to set a new record, with further gains anticipated in the present year. Corn, which accounts for nearly three-fourths of the coarse grain exports, set a new record of 18.6 million tons, with an all-time high for the United States and

heavy exports from Mexico and Brazil. Coarse grain imports were off 18 percent in 1965 to 1.2 million tons. Little increase is expected for Hemisphere imports in the current year as a result of high levels of agricultural output for most countries. However, imports may be stimulated by price declines for coarse grains in 1965 and new U.S. farm legislation designed to make exports more competitive.

SUGAR

Sugar is a very important product to the Hemisphere, with sugarcane accounting for most of the output. While sugarcane and beets occupy only about 5 million hectares, or about 4 percent of the area devoted to grain crops, sugar supplies over 15 percent of the caloric value of food consumption, and accounts for over 7 percent of the value of agricultural exports and about 9 percent of imports for the Hemisphere. In addition, byproducts of sugar production are very important in trade.

The decline and subsequent recovery in Cuban sugar output and trade since 1959 has resulted in wide price swings and sharp production increases in other Hemisphere countries. In May 1963 the world sugar price reached $12.60 per hundred pounds, f.o.b. Caribbean ports, the highest level since 1920. Increased world supplies resulted in a rapid downward spiral to $2.16 per hundred pounds for the period January-October 1965, with bleak prospects for recovery in 1966.

As Cuban sugar production has recovered during the past 2 years and now exceeds the 1955/56-1959/60 average by 12 percent, and output increased in other countries, a Hemisphere production record of almost 25 million tons is estimated for 1965/66. When sugar production for the Hemisphere during the 1955/56-1959/60 period is compared to the average for 1964/65-1965/66, the full extent of the increase in production can be appreciated. For example, the United States increased beet sugar by 51 percent and cane sugar by 96 percent in this period. Total sugar increases for other countries included: Brazil, 40 percent; Mexico, 75 percent; Colombia, 80 percent; Ecuador, 73 percent; Chile, 260 percent; Panama, 156 percent; and El Salvador, 137 percent.

Hemisphere sugar exports at 9.4 million tons in 1965 were up almost 22 percent, mainly due to an increase in Cuban exports. Hemisphere sugar imports dropped about 14 percent to 3.6 million tons in 1965, with declines for the United States and Canada more than offsetting gains for Chile, Uruguay, and other countries, with a further decrease likely for this year in view of increased output.

The United States has set its initial sugar import quota for 1966 for Hemisphere countries at almost 1.7 million tons; however, total imports will likely be considerably higher and well above the final quota of almost 1.9 million tons in 1965. In the fall of 1965, the United Nations Conference for Trade and Development held an International Sugar Conference at Geneva, Switzerland, to revive the International Sugar Agreement of 1958 which expired in 1961 when members disagreed over Cuban quotas. The 80 countries represented-- 67 by delegates and 13 by observers -- agreed to meet again if agreement appears feasible this year.

VEGETABLES AND FRUIT

In importance to the Hemisphere, vegetables and fruit follow grains and oilseed. They probably occupy over 15 million hectares or about 13 percent as much as the area devoted to grain crops. They supply almost 15 percent of the caloric value of food consumption, contribute to livestock feeding, and furnish over 7 percent of the value of agricultural exports and 12 percent of imports for the Hemisphere. Most of the output is accounted for by root crops, bananas, citrus, and deciduous fruit.

Root crops: Potato and sweetpotato output totaled an estimated 31.1 million tons for the Hemisphere in 1965, up about 13 percent over a year earlier. Most of the increase was accounted for by greater output in the United States, Brazil and Argentina. Canadian output was down.

Yuca output increased an estimated 3 percent to over 29 million tons in 1965, gains occurring in all areas except Paraguay and Venezuela. Brazilian output was up to account for most of the increase. The output for the present year should show further gains if weather is favorable.

Trade in root crops is generally of minor importance for the Hemisphere as a whole, but production levels do influence food consumption levels and trade in other agricultural products in view of their importance to food consumption, particularly in Latin America. Increased output generally assured food supplies without the need for import or other substitutes in 1965 and early 1966.

Hemisphere banana production in 1965 reached an estimated 15.5 million tons, up over 5 percent above a year earlier. Largest gains were registered in the countries of Central America and in Ecuador, the main exporters. An increase was also registered in Brazil, the largest producer; production remained unchanged for Colombia.

Banana trade of the Hemisphere in 1965 was virtually all in boxes. Exports totaled an estimated 3.3 million tons, a little below 1964; imports totaled 2.1 million tons, 10 percent above the previous year. Most of the decline in exports resulted from decreases for Ecuador, the Caribbean, and Colombia, with gains reported for Central America, Brazil, and minor exporters. U.S. imports were up sharly with some increase for Argentina, Canada, and Chile. The banana trade was affected by declines in prices, reflecting large supplies in 1965, which may carry forward into the present year.

Citrus fruit: Production of oranges and tangerines was up almost 6 percent to an estimated 8.0 million tons for 1965 for the 4 major producers: the United States, Brazil, Mexico, and Argentina. Most of the increase reflected the larger U.S. and Brazilian crops. The U.S. increase resulted mainly from good growing conditions and a recovery from lingering effects of freezes which have reduced output in the last few years. Brazilian output increased sharply as a result of steadily increasing demand and efforts to increase output in that country. A small increase was registered for Mexico, but the Argentine crop was down. Exports of oranges and tangerines was 14 percent above 1964, totaling 410,000 tons for the Hemisphere. Imports showed a slight decline to 235,000 tons in 1965. Both exports and imports are expected to increase this year, reflecting both increased supplies and lower prices.

Deciduous fruit: Hemisphere production of apples and pears -- which account for most of the deciduous tree fruit output and trade -- decreased in 1965. Production of these fruits in the United States and Canada, which together account for over three-fourths of the Hemisphere total, decreased nearly 13 percent to 3.9 million tons. Output of both apples and pears was off in the United States; apple production was up and pears down in Canada.

Hemisphere apple exports in 1965 were up 40 percent to 440,000 tons; pears up 1 percent to 73,000 tons. Export gains for apples reflected greater shipments by Argentina and the United States. Argentine pear exports were up; U.S. shipments down. With increased output of apples and pears, exports are expected to register gains in 1966.

Imports of apples were unchanged at 120,000 tons; pears, down 4 percent to 25,000 tons. Increased apple imports by Brazil and Canada offset declines for other countries.

OILSEEDS

Vegetable oilseeds are the second most important commodity group in the Hemisphere. Cultivated oilseeds occupy about 16 million hectares, excluding the 10 million hectares devoted to cotton production. Vegetable oils supply about 12 percent of the caloric value of food consumed in the Hemisphere. Oilseed products are also widely used in industry and in livestock feeding. In addition, oilseeds and oilseed products are important in trade. Most of the Hemisphere's oilseed production consists of soybeans, cottonseed, and peanuts.

Production of soybeans, peanuts, and cottonseed for 1965/66 for the Hemisphere totaled a record 35.1 million tons, up over 14 percent above a year earlier. In 1965, soybean production was up 21 percent to 23.8 million tons and peanut production up 20 percent to 2.4 million tons. However, cottonseed output for 1965/66 is estimated to be down by nearly 2 percent to 8.9 million tons. The record crop in the United States, Hemisphere's principal producer, was responsible for most of the gain in soybeans. However, output for Brazil, Canada, and other Hemisphere countries also increased. Decreased cottonseed production resulted from a reduction in cotton output for the United States, Brazil, Central America, and Peru. Most of the increased peanut output was accounted for by the major producer, the United States.

Hemisphere exports of these 3 principal crops in 1965 were estimated at 6.5 million tons for oilseed and 0.8 million tons for oil, up 9 and down 7 percent, respectively. The United States accounted for most of the change. Hemisphere imports of oilseed were down 6 percent to 552,000 tons; oil imports were also down 6 percent to 131,000 tons. The record 1965 crop indicates further export gains this year.

LIVESTOCK PRODUCTS

The production of livestock products is of major importance to agriculture in the Hemisphere. An estimated 650 million hectares of farmland in hay crops, cultivated pastures, and natural pasture are devoted to livestock production, about five and one-half times that in annual crops. In addition, a significant portion of annual crop output goes into the production of livestock products. Livestock products supply an estimated 15 percent of total food consumption and are important in agricultural trade. The major portion of livestock output for the Hemisphere is accounted for by milk, meat, and wool production.

Western Hemisphere <u>milk</u> production was estimated at 87.4 million metric tons in 1965, down slightly from 1964, as declines in U.S. and Canadian output offset increases in Latin America. In Latin America, increases for Brazil, Mexico, and Colombia more than outweighed a decrease for Argentina. Higher milk prices may result in some production increases in the United States in 1966 and the upward trend for Latin America will likely continue.

Latin American commercial imports of dairy products are expected to continue a downward trend in 1966 with further increases in milk production and growing processing capacity. U.S. imports of dairy products in 1966 are expected to increase, while exports are expected to remain about the same as in 1965, with nonfat dry milk sales up and butter exports down. U.S. exports were off one-third in 1965 from the record of $276 million a year earlier.

<u>Meat</u>: Hemisphere output of beef, veal, and pork in 1965 was estimated at 22.4 million tons, down 2 percent from the year before. Beef and veal production dropped slightly but pork production was down by almost 6 percent. The outlook for increased

slaughtering in 1966 is not particularly favorable as cattle numbers appear to be building up in the United States, Argentina, Uruguay, Brazil, Colombia, Peru, and Venezuela.

Meat exports estimated at 899,000 tons in 1965 were down 21 percent from a year earlier, mainly due to lower beef exports from Argentina and Uruguay and pork from the United States. The United States also reduced red meat imports and was mainly responsible for the decrease in Hemisphere meat imports to 710,000 tons, down 9 percent from the previous year. However, U.S. feeder cattle imports were up sharply and are expected to register further gains in 1966.

Western Hemisphere wool production declined for the sixth consecutive year but was down only 1 percent from the 1955-59 average to 476,000 tons. United States production for 1965 was down over 18 percent from the 1955-59 average as sheep numbers have declined. However, higher prices for lambs are expected to result in higher sheep numbers in 1966. Argentine sheep numbers are on the rise but drought conditions reduced fleece weights in 1965. Drought also reduced wool production in Uruguay.

Western Hemisphere wool exports were up in 1965 as Argentina and Uruguay revised their foreign exchange systems to make wool exports more attractive and as world demand strengthened. Hemisphere exports of wool at 196,000 tons were 20 percent above 1964, but still 33 percent below the 1955-59 average. Hemisphere imports at 186,000 tons rose 20 percent above 1964 due to large increases by the United States and Canada. However, 1965 imports were 35 percent below the 1955-59 average.

COFFEE AND COCOA BEANS

Coffee is an important crop in the Hemisphere's agricultural output and trade. It occupies about 7 million hectares or about 6 percent as much as that devoted to grains and accounts for about 12 percent of the Hemisphere's agricultural exports and 19 percent of imports.

Western Hemisphere coffee production at 3.4 million tons for 1965/66 is up 80 percent over last year, 13 percent above 1963/64, and almost 23 percent above the 1955/56-1959/60 average. Coffee production above that needed for domestic consumption and available for export is estimated at 2.6 million tons for the Hemisphere an increase of 224 percent over 1964/65. Brazil accounts for most of the increase in coffee production available for export, as 1.6 million tons are available from that country in 1965/66, compared to 180,000 tons in 1964/65. Although the Hemisphere continues an upward production trend, its relative importance has slipped as a world producer compared to Africa and Asia.

Western Hemisphere exports of coffee were off 6 percent in 1965 at about 1.7 million metric tons, and imports of 1.3 million tons continued downward and slipped below the 1955-59 average. Exports and imports in 1966 are expected to increase as importing countries have reduced stocks considerably.

Prices have been relatively stable in 1965 in spite of the anticipated large 1965/66 crop and this price stability has been credited to the International Coffee Agreement. In December, the ICA 1965/66 October-September global export quota, basic quota adjusted by waivers, was 2.7 million tons, up 3 percent from the final quota a year earlier. However, the increase for Hemisphere members was less than 2 percent.

Cocoa beans are a comparatively small but a fairly important Hemisphere crop for some countries. Land devoted to the production of cocoa beans totals about 1 million hectares or less than 1 percent of that devoted to grain production. While consumption

and trade are of minor significance compared to other commodities, exports of cocoa beans and products amount to about 1 percent and imports 2 percent of Hemisphere agricultural trade.

Hemisphere cocoa bean production will reach an estimated 336,000 tons for 1965/66, around 15 percent above the average of the last 2 crops, and up almost 7 percent above the 1955/56-1959/60 average. Brazilian production, although up sharply in 1965/66--159,000 tons--remains less than 1955/56-1959/60 output of 173,000 tons. Production increases are also estimated for the other Hemisphere producers, including Mexico and Colombia. However, output declined in Ecuador, Dominican Republic, and other countries except Venezuela.

Hemisphere trade was up in 1965. Latin American exports increased an estimated 46 percent to 236,000 tons; imports were up 18 percent to 365,000 tons. Latin American cocoa exports in 1964 were 162,000 metric tons of which 92,000 tons were shipped to the United States. The Hemisphere only supplies about a third of total U.S. imports at the present time, compared to over 52 percent during the 1955-59 period.

The most significant development in the 1965 Hemisphere cocoa bean market was the collapse of prices. As a result, the Producers International Cocoa Agreement indicator price of $23.75 per 100 pounds was undermined and member countries did not observe export quotas. Consequently, the Agreement, of which Brazil was the only Hemisphere member, is no longer in operation.

VEGETABLE FIBERS

Cultivated fibers occupy less than 11 million hectares of agricultural land in the Hemisphere, including over 10 million hectares for cotton, or about 9 percent of that devoted to grains. In addition, these fiber exports account for about 9 percent of the value of Hemisphere agricultural exports and 3 percent of imports, mostly cotton. While cotton accounts for most of the cultivated fiber production and trade, sisal and henequen are of some importance for certain Hemisphere countries.

Hemisphere cotton production is estimated at 4.85 million tons for 1965/66, down less than 2 percent from a year earlier but 22 percent above 1955/56-1959/60. Lower production in the United States Brazil, Central America, Peru,and other countries more than offset a small gain in Mexico.

Western Hemisphere production for 1966/67 will be influenced by the U.S. Agricultural Act of 1965, which aims at striking a better balance between production and disappearance. As the United States has large stocks of cotton, the emphasis will be on reducing output in 1966 below disappearance (domestic consumption plus exports) so as to permit a gradual reduction of stocks.

Cotton exports for the Hemisphere in 1964/65 totaled 1.8 million tons, down 16 percent mainly due to lower U.S. exports with many other Hemisphere exporters showing gains. In spite of lower prices, U.S. exports may decline slightly again in 1965/66, although total Hemisphere exports will likely remain near the same level as in 1964/65. Hemisphere cotton imports in 1964/65 were estimated at 195,000 tons, down 2 percent, reflecting decreased imports by Canada and the United States. Hemisphere imports for 1965/66 may be up somewhat as a result of adequate supplies and the prospect of lower prices.

Mexico and Brazil produced good hard fiber crops in 1965. Mexican henequen output of 142,000 metric tons was down slightly from 1964, but over 20 percent above 1955-59. Brazilian sisal production rose to 240,000 metric tons, 11 percent above

1964 and over twice 1955-59. Large world supplies of sisal caused a sharp price drop in 1965, which also affected henequen prices. Little price improvement is in sight for 1966.

Exports of henequen by Mexico, the principal producer, were estimated at 10,000 tons in 1965, down 55 percent. Brazilian sisal exports were up 3 percent to 150,000 tons.

TOBACCO

Tobacco occupies less than 1 million hectares in the Hemisphere but is produced in all countries. However, it accounts for approximately 4 and 2 percent, respectively, of Hemisphere exports and imports. Tobacco production in the Hemisphere was estimated at 1.4 million tons in 1965, the smallest crop since 1960 and down 3 percent from 1964. However, tobacco output is almost 9 percent above the 1955-59 average. Brazilian production was up almost 39 percent, but U.S. production declined 14 percent and more than offset larger crops in other Hemisphere countries.

Western Hemisphere exports of unmanufactured tobacco dropped almost 9 percent in 1965 to about 371,000 metric tons, mainly due to reduced shipments from the United States, Dominican Republic, Brazil, and Canada. Shipments by other countries were up. However, Hemisphere exports are expected to continue a long-term upward trend in 1966 in response to uncertain supplies from Rhodesia. Hemisphere tobacco imports reached 100,000 tons in 1965, up 12 percent, with further gains expected this year. Gains resulted almost entirely from increasesin U.S. imports. (Edward Quinones)

SITUATION BY COUNTRY

CANADA

In 1965 Canada entered its fifth year of rapid economic expansion. The gross national product was expected to reach $47 billion ($2,425 per capita) in 1965, an increase of almost 9 percent over 1964, or about 6 percent adjusted for inflation. Expected foreign trade expansion should provide a stimulus to a continued uptrend in 1966.

Reasonably full employment, a high level of investment in plant and equipment, increased consumer and government expenditures, and record agricultural output spurred the economy in 1965. Exports of goods and services continued to increase in 1965. However, sharply increased imports contributed to a growing trade deficit. The seasonally adjusted index of industrial production (1949 = 100) increased 7 percent to 226.1 in June 1965 over a year earlier. Substantial gains were registered for motor vehicles, electrical equipment, and iron and steel products.

With the economy operating close to capacity, the employed labor force rose to 6.85 million in July 1965, an increase of 4 percent above a year earlier. The seasonally adjusted rate of unemployment fell to 3.2 percent in October 1965, the lowest since 1956. The consumer price index in October 1965 was 2.7 percent above a year earlier, reflecting an above average advance in food and transportation prices of 3.6 percent and 5.2 percent, respectively. The share of retail sales value devoted to food increased slightly, but if deflated for price rises, the food share of retail sales in real terms declined.

Population was estimated at 19.6 million in 1965, increasing at an annual rate of 1.9 percent. Food consumption per person in 1965 was likely near the average of 3,100 calories estimated for 1959-61.

Canadian exports during 1965 were up slightly from the record $7.7 billion in 1964. Smaller grain deliveries were offset by gains for nonfarm exports. Despite a trade deficit created by an expansion in imports, gold and foreign exchange holdings were estimated at 3.0 billion in September 1965, above the level at the end of 1964. The outlook for Canadian grain exports in 1966 is more promising than a year earlier, and sustained growth in the United States and other industrial countries provide the possibility of gains in other trade sectors. Strong Canadian investment and consumer demand are expected to maintain a continued rise in the economy.

With higher farm marketings, Canadian farm income rose about 5 percent to a new high of $3.4 billion in 1965. Larger farm sales of livestock and livestock products were major factors in this rise. The increase in farm income encouraged growth in expenditures for fertilizers, farm machinery, and other farm inputs. It is estimated that farm operating expenses and depreciation also increased 5 percent in 1965. Loans to farmers increased 15 percent.

In 1965 payments under provisions of the Canadian Agricultural Stabilization Act were extended to sugar beets, eggs, and milk for processing. Government assistance was provided to British Columbia fruit growers and to drought-stricken farmers in Ontario and Quebec. New Federal grade standards for fresh fruits and vegetables became effective in 1965. The feedgrain assistance policy was modified to extend the storage subsidy to cover grain stored in ships over winter and to achieve greater equity in transport costs absorbed by eastern livestock producers. The marketing board movement is expanding rapidly, particularly in Ontario, which established boards for marketing turkeys, broilers, eggs, and milk in 1965. Manitoba set up marketing boards for hogs and potatoes.

Favorable growing conditions in the important Prairie Provinces more than offset the effects of drought in eastern Canada. Livestock production increased in 1965 and larger numbers of livestock and strong domestic demand are expected to support increased output of livestock and poultry products in 1966. The 1965 index of farm production was estimated at 130, up 9 percent from the previous year, or 113 per capita for a gain of nearly 7 percent (1957-59 = 100). Foreign demand for Canadian grains is favorable for 1966 and farm exports and farm income are expected to increase.

Crop production: An estimated 63.9 million acres were seeded to the principal Canadian field crops in 1965, compared with 62.8 million acres in 1964. The index of field crop production in 1965 was 12 percent above 1964 and slightly below the peak of 1963. Gains were registered for all principal crops except potatoes and sugar beets. Record crops of corn, mixed grains, rapeseed, and soybeans were harvested.

The breadgrain -- wheat and rye -- area of 29.0 million acres was down 4 percent from a year earlier. But the 1965 wheat harvest of 18.4 million tons was 13 percent above 1964, and rye production was up 37 percent to 424,000 tons. The major increase was in the important spring wheat crop, including durum, with production 14 percent above a year ago. However, tests indicate that protein content of 1965 spring wheat is 13.5 percent, the lowest in 9 years, and high moisture at harvest reduced other quality factors so that about 60 percent of the crop will grade No. 4 Northern or lower. Wheat stocks of 7.9 million tons in licensed elevators on November 17, 1964, were 10 percent below the year earlier and 17 percent below the same date in 1963, but total supplies of 15.6 million tons including prairie farm holdings remain well above the average for recent years.

The 1965 feedgrain crop of 13.8 million tons was 19 percent above the 1964 harvest with total 1965/66 supplies estimated at 21.2 million tons, slightly above the 5-year average. Increases in area and yields of oats (6.4 million tons) and barley (4.7 million tons) were major factors. An increase of 12 percent was registered for mixed grains (1.2 million tons) and the corn crop (1.5 million tons) exceeded the peak 1964 harvest by 13 percent. Canadian estimates place the gross supply of feedgrains per grain-consuming animal unit at 1.31 tons, compared with an average of 1.23 tons for the past 5 years.

The quality of the Prairie barley crop suffered more than wheat, and there is expected to be a shortage of premium malting barley for domestic use and export during 1966.

Tame hay production (19.2 million tons) was about equal to the 1964 level but corn forage (4.7 million tons) increased 4 percent. Except for shortages in eastern Canada, winter forage supplies were adequate. Mill feed production should rise substantially in 1965/66, with oilseed meal and other feed supplements continuing upward. Increased feeding of wheat and barley is anticipated because of the high percentage of lower grades available from the 1965 crop.

The Canadian oilseed area for 1965 increased 31 percent over the year before, including an 80 percent increase in rapeseed acreage. Total oilseed production of 1.45 million tons was 44 percent above 1964. Flaxseed production (710,000 tons) was up 38 percent; rapeseed production (517,000 tons) was up 72 percent. Soybeans (219,000 tons) increased 15 percent. Total supplies of oilseed for 1965/66 far exceed the level of any previous year.

The 1965 potato harvest of 2 million tons was 6 percent below the previous year; output of sugar beets at 1 million tons was the lowest since 1956. The pulse crop declined somewhat, with some increase estimated for fresh vegetables. The 1965 apple crop was 8 percent above 1964, but most other fresh fruits registered sharp declines. Increased area contributed to a significant increase in tobacco production but production was still below the 1958-63 average.

Livestock production continued a strong rise in 1965. A favorable price and feed situation encouraged expansion in numbers of cattle and poultry on farms, but numbers of hogs and sheep declined. With large feed supplies available in the Western Provinces and effective drought relief in the eastern feeding areas, Canadian livestock production is expected to continue the uptrend in 1966.

Canadian output of red meat was estimated at 1.34 million tons (carcass weight basis) in 1965, up 7 percent from the previous year. Beef accounted for most of the increase, reflecting a 10 percent rise in cattle slaughter. Pork declined slightly, and mutton and lamb dropped 12 percent.

Production of poultry meat was estimated at a record 312,000 tons, 5 percent above the 1964 record high. The major gain was in turkey production, with turkey meat consumption expected to reach 10 pounds per capita in 1965, a world record.

Numbers of dairy cattle on farms continued a slight decline in 1965 and total milk production was maintained near the 1963-64 level of 8.3 million tons. Butter production (154,000 tons) declined but was still the predominant use for milk, accounting for about 44 percent of total supply. Fluid milk sales (2.4 million tons) and output of dairy products other than butter continued a slight rise. Egg production for 1965 was estimated at 429 million dozens, down slightly from 1964. Large deficiency payments were made to farmers to supplement low egg prices. Wool production continued a downtrend in progress since 1961.

Despite increased slaughter and exports, Canadian cattle numbers were estimated on June 1, 1965, at 13 million a slight rise from the previous year. Both hogs and sheep, estimated at 5.4 million and 1.17 million, respectively, were down 9 percent. Beef cows and heifers increased by 4 percent, with a decline in dairy cattle. Despite larger numbers of beef cattle, prices remained high in 1965, reflecting a strong Canadian and U.S. demand.

Strong demand is expected to maintain growth of the Canadian livestock industry during 1966. With increased feed supplies, marketing of cattle and hogs should rise. A low stock position and good demand is expected to encourage some increase in milk production. A further buildup in poultry meat output is anticipated, with egg production continuing near current levels.

Foreign trade: Increased sales of cattle, livestock products, and oilseeds were offset by smaller wheat sales in 1965 and the value of agricultural exports was down slightly from the $1.5 billion record set in 1964. Preliminary estimates place value of agricultural imports somewhat below the $0.9 billion figure of 1964.

The outlook for Canadian agricultural exports in 1966 is favorable. With increased sales to communist countries, wheat exports are expected to exceed 14 million

tons compared to 13 million tons in 1965. Although the Canadian wheat supply position remains favorable in total size, there has been some reduction in the availability of top export grades. It is doubtful that Canada will increase its exports of feedgrains in 1966, but shipments of flaxseed and rapeseed should continue to rise. Despite strong domestic demand, Canadian cattle and meat exports should continue at a high level. Dairy exports may continue near current levels. Some rise is anticipated for apple exports but foreign sales of other fruits and vegetables should decline somewhat. Tobacco stocks are not large enough to permit a significant increase in exports in 1966.

Canada will continue to provide an important market and its agricultural imports are expected to rise in 1966. A continued uptrend in imports is anticipated for citrus and stone fruits, fresh vegetables, tropical products, and wool. Cotton imports should remain at the high level of 1965 but the U.S. share will decline because of large Canadian purchases of Soviet cotton. Canadian sources indicate that 1965/66 corn imports may be only three-fourths of the 450,000 tons imported the previous year, because of improvement in supplies of corn and other feedgrains. Although supplies of edible oilseeds are large, the market appears favorable for imports of soybeans. A continued decline in Canadian red meat imports is expected, but poultry meat and dairy product imports may be maintained near 1965 levels. (Donald Chrisler)

UNITED STATES

The U.S. economy continued to record substantial gains in 1965 and is expected to continue to do so in 1966. Gross national product in 1965 was estimated at $676 billion, up over 7 percent from last year for a per capita output of $3,470.

Gains in economic activity in 1965 were widespread with all major sectors of the economy participating. Consumer spending increased vigorously in response to higher employment and earnings as well as increased social security benefits and reduced excise taxes. Government spending for goods and services increased sharply in the last half of 1965 as a result of increased defense spending. Producers responded to increasing demand with large increases in investment in new plant and equipment. Investment in new plant and equipment in 1965 was estimated at over 15 percent above the 1964 level.

The flow of income to consumers is expected to continue increasing in 1966. Much of the anticipated gain in income will result from increased employment and wage rates, although government programs designed to add to purchasing power will also play a role. Some of the stimulative effect of government programs will be offset by an increase in social security taxes which took effect on January 1, 1966.

Food expenditures are expected to increase again in 1966, in line with a generally expanding economy. But the rise in expenditures is expected to be less than the 6 percent gain in 1965. Last year, expenditures for food totaled about $85 billion in addition to $13 billion for alcoholic beverages. The rate of increase in food expenditures last year was not quite as large as the increase in disposable income, so the share of income going for food declined fractionally to 18.5 percent. In 1966, the percentage of income spent for food is expected to decline again slightly.

Retail food prices increased more than 2 percent in 1965, about twice the advance of 1964. Increases were most notable for meats, particularly pork, fats and oils, fresh vegetables, and potatoes. Though most prices increased, some declined, including prices for citrus fruit, eggs, sugar, and instant coffee.

In 1966, retail food prices likely will again increase, but not as much as in 1965. Meat prices are expected to average higher, particularly during the first 7 or

8 months. But potato prices likely will drop considerably as a result of the large crop in the fall of 1965. Prices for fresh vegetables, citrus, and poultry are expected to average below 1965, but prices for many canned fruits and vegetables probably will increase.

Per capita food consumption this year is expected to average about the same as 1965, little changed from the 3,190 calories per capita per day estimated for 1959-61. Consumption of animal products is expected to decline slightly, but a further increase for food from crops is likely. The nutritive value of the national average diet likely will be about the same in 1966 as in 1965.

The quantity index of food consumption declined nearly 1 percent per capita in 1965 as a result of a decline in consumption of livestock products. Per capita consumption of pork declined about 10 percent, and beef about 1 percent. Partly offsetting was a 7 percent increase in per capita consumption of chicken. On the crop side, potato consumption per capita was down about 6 percent on a fresh-equivalent basis, but citrus fruit consumption was up 21 percent. The net result of these changes was a national average diet only slightly lower in fat, protein, and total calories, but with a 5 percent increase in ascorbic acid resulting chiefly from more citrus.

Realized gross farm income in 1966, including substantially larger government payments, may total around $46 billion compared with $44.5 billion estimated for 1965. A continued uptrend in production expenses in 1966 is expected to offset a good part of the anticipated gain in gross farm income. Prices paid by farmers for production items, interest, taxes, and wage rates will rise further in 1966. Depreciation and other overhead expenses will increase again. But with little change likely in the bill for purchased feed and livestock, and some decline in expenditures for hired labor, the rise in total production expenses is expected to be smaller than the billion-dollar increase in 1965. As a result, realized net farm income in 1966 -- farmers' income above production expenses -- will possibly rise some one-half billion dollars above the greatly improved 1965 level.

Total agricultural output for 1965 set a new record at an index of 116 or 104 per capita, up 4 and 3 percent, respectively, from last year (1957-59=100). Gains in crop production offset declines in the production of livestock products.

Crop production: The 1965 harvest brought new records in yields per acre and in total output of food and fiber. With virtually no change in the acreage of crops, output was up more than 6 percent from the 1964 level and 4-1/2 percent above the previous high in 1963. Production gains from 1964 of 17 percent were shown for feedgrains and 20 percent for soybeans. The wheat crop was 3 percent larger than in 1964, hay was up 7 percent, the cotton crop was down about 1 percent, and tobacco was down 14 percent.

Carry-over stocks of feedgrains and wheat have been materially reduced in recent years. The feedgrain carry-over of 56 million tons into 1965/66 marketing year continued the downtrend of the last 4 years. Domestic use and exports of feedgrains are expected to increase in the 1965/66 marketing year. Total utilization is now expected to be about equal 1965's big feedgrain crop with little change in carry-over stocks. Wheat stocks at midyear were down to 818 million bushels from over 1,400 million in 1961 and a further decline is in prospect for 1966. In contrast, stocks of upland cotton rose by nearly 2 million bales to 14 million last August, and current indications point to another 2 million bale increase to a record high in 1966.

For 1966, crop prices and cash receipts from crop marketings may run somewhat below last year. But with increased government payments to producers participating in major farm programs, total returns from crops will be slightly larger than in 1965.

The Food and Agriculture Act of 1965 continued the general pattern of price support loan levels for wheat and feedgrains--aimed at about world price levels. Price support payments, together with acreage diversion payments, are designed to maintain farmers' income and facilitate a movement toward a balance between supply and demand. The new legislation provided a similar program for cotton, for which stocks have risen rapidly in recent years. For the 1966 crop, the price support loan level for cotton will be reduced substantially to 21 cents per pound compared with 29 cents for the 1965 crop. At this domestic support level, the competitive position of U.S. cotton in world markets should be substantially improved.

A new Cropland Adjustment Program, authorized by the Act, is designed to supplement commodity acreage diversion programs, provide more recreational facilities, and assist in adjustments of resources and people to profitable nonfarm activities. Specific incentives are provided to encourage farmers to share their land and water facilities with town and city people. At the same time, the program is designed to divert cropland through programs offering long term contracts with lower payment rates than necessary for 1-year programs.

Livestock production: Output of livestock products declined about 1 percent in 1965 from the level of a year earlier.

Generally higher prices for livestock products in 1965 increased cash receipts from livestock products some $2 billion above the $19.8 billion in 1964. Although a further increase in livestock product receipts is indicated for 1966, the gain is not expected to match last year's big increase. The feeder cattle supply early this year will total about the same as a year earlier. More feed and continued favorable feeding margins indicate some increase in fed beef production in 1966, though a decline for nonfeed beef may be partly offsetting.

Although hog producers have taken steps to reverse the decline in production that started in late 1963, slaughter supplies for 1966 as a whole are expected to average moderately below last year. Supplies will continue below a year earlier during the first half. But a modest increase in next spring's pig crop will lead to an expansion in slaughter supplies in the second half of 1966. However, if producers increase late spring and fall farrowings by 10 percent or more, hog prices likely would decline sharply by late 1966 and during 1967.

Prospects for some further decline in per capita red meat supplies, indicated for most of 1966, point to meat animal prices a little stronger during 1966. Dairy product prices, too, are expected to average slightly higher. Though producer prices for poultry are expected to average lower in 1966, cash receipts will likely increase again. The current buildup in broiler hatchery supply flocks and lower feed prices provide a greatly expanded output potential for 1966. Large production increases likely would continue to exert downward pressure on prices, particularly later in 1966 as supplies of red meat begin to increase. For livestock products as a whole, the prospects for rising demand and a relatively small gain in total production point to some increase in producer prices and cash receipts above the greatly improved 1965 levels.

Foreign Trade: U.S. agricultural exports were a near record in calendar year 1965. They totaled $6,229 million compared with the record of $6,347 million a year earlier. The large increases in exports of feedgrains, rice, soybeans, and fruits were more than offset by declines in wheat and wheat products, cotton, dairy products, lard, and vegetables. Although exports of wheat and flour declined in 1965, the level was exceeded only in the previous year when harvests in the USSR, Europe, and Japan were sharply reduced.

Commercial sales for dollars in 1965 will likely equal the record $4.6 billion in the previous year while shipments under Government financed programs may total $1.6 billion.

Exports in the first half of 1965 were substantially reduced because of the longshoremen's strike at East Coast and Gulf ports during January and February. Agricultural exports in January and February totaled only $536 million in 1965 compared with $1,066 million for the same months in 1964. However, the effects of the strike were partially offset by larger exports in November and December 1964 in anticipation of the strike and by expanded exports after the settlement. In addition, exports in January-June 1964 were unusually heavy due to the large movement of wheat to the Soviet Union and Western Europe because of the relatively poor wheat harvest in these countries.

In July-December 1965 agricultural exports rose to a record $3,369 million, reflecting expanded movements of feed grains, soybeans, rice, fruits, and hides and skins.

The value of agricultural exports in 1966 is expected to exceed the 1965 total as a result of continued favorable prospects for feed grains, wheat, soybeans, oilcake and meal and rice. However, the exports of tobacco are uncertain due to the Rhodesian situation. Prospects for cotton exports should improve in the latter part of calendar 1966 with the implementation in August of the new cotton program which is likely to enhance the U.S. competitive position in world markets.

Imports of agricultural products in 1965 totaled $4,088 million -- about the same as in the previous year. Supplementary imports (partially competitive) rose to $2,248 million in 1965 from $2,097 million in 1964. Increases occurred for apparel wool, dutiable cattle, meats, oilbearing materials and products, unmanufactured tobacco, and vegetables. Complementary (noncompetitive) imports fell to $1,840 million in 1965 from $1,986 million in 1964. The value decline was accounted for by smaller imports of coffee, crude natural rubber, carpet wool, and cacao beans. (John W. Layng)

LATIN AMERICA

MEXICO

Mexico's economy continued strong in 1965. The gross national product increased more than 6 percent in 1965 for a per capita output of $470. The economic product for 1966 may remain near this level.

Industrial production increased about 8 percent in 1965 while wages moved up only slightly. As a result of anti-inflationary policies, wholesale prices increased less than 1 percent during the first 9 months of 1965. The cost-of-living index moved up about 3 percent during the same time period. Imports and exports rose slightly.

Despite its rapid economic growth, Mexico's farm sector lags. Rural population is close to 50 percent of total, yet agriculture contributes only about 18 percent of the gross national product. Despite significant achievements in promoting agriculture in recent years, the rural population still has an annual average per capita income of about $190, only 40 percent of urban income.

Population was estimated at 40.6 million in 1965, increasing at a rate of 3.1 percent annually. Food consumption was likely somewhat above the 2,580 calories daily per capita estimated for 1959-61.

Mexico's agricultural policy continues to have 3 basic objectives: To expand and diversify exports; to attain self-sufficiency in agricultural production; and to raise the standard of living of the farmers. Important programs to attain these policy objectives include the continuation of land reform; protection of domestic industry; provision of expanded irrigation, marketing, and credit facilities; and increasing the degree of processing of export commodities.

Farm price support levels on grains, particularly wheat, have received considerable attention in recent months. A new plan, proposed in the "State of the Union" message of the President of Mexico on September 1, 1965, indicates that support prices may be reduced in the near future to combat the high cost of storage, transfer, and other factors involved in handling the surplus wheat crop.

The Compania Nacional de Subsistencias Populares, a Government agency which regulates the prices of basic food supplies, bought 3.2 million metric tons of grain during 1965, about one-third of total grain production. It resold 1.8 million tons on the domestic market at minimum prices.

The index of total agricultural production for 1965 was estimated at 138, up about 1 percent from the record of the previous year (1957-59 = 100). However, per capita agricultural production was down 2 percent, reflecting rapid population growth. The food production index at 142 was up about 2 percent but down nearly 1 percent per capita. Continued growth in agricultural output has been possible because of the combined effects of the increase in irrigated land to 2.6 million hectares; the continued expansion of total land under cultivation; and the gains in productivity per hectare due to the greater use of farm machinery, better seed, fertilizers, insecticides, and fungicides.

Crop production: Total crop production was up a little over 1 percent for a per capita decline of close to 2 percent compared to a year earlier. Production increases for fruits and vegetables, oilseeds, and roots barely offset declines for other crops, including cotton, grains, and henequen.

The decline in grain production of about 1 percent in 1965 was due primarily to decreased corn and wheat output which offset gains for grain sorghum and rice. Production of corn, Mexico's leading food grain, reportedly decreased 100,000 tons from the year earlier record of 7.1 million tons; however, more recent estimates indicate a higher output of 7.6 million tons. However, the corn carry-over into 1965 was high. In late fall, Mexico announced that a 2-price support system will go into effect for the 1966 corn crop and the support price of 940 pesos ($75.26) per ton will be maintained only for the small independent producer, with support prices for large producers geared to lower world market prices.

According to earlier reports, wheat production was down an estimated 100,000 tons in 1965 from the record 2.1 million for 1964; however later reports indicate no change from last year. Also, the carry-over into 1965 was small. The prospect of a lowered support price for 1966-crop wheat may cause farmers to shift to other crops, although this may be countered by continued yield increases.

Grain sorghum production was estimated at a record 510,000 tons in 1965, up 6 percent. However, supplies may be inadequate to meet increases for livestock feeding. Rice production increased by one-third to 360,000 tons in 1965 due to increased plantings and yields. Barley and oats did not register any appreciable production gains.

Cotton production during 1965 was earlier estimated at 501,000 tons, down 4 percent from the previous year; more recent reports indicate an output of 523,000 tons. Henequen output dropped 2,000 tons in 1965. The continuing depression in the world

market for henequen because of increasing competition from synthetic fibers is reportedly causing a sharp reduction in planned future henequen production.

Potato and sweetpotato production increased close to 5 percent in 1965. Bean output increased only moderately; chickpea production was down slightly.

The 1965 sugarcane crop was up about 10 percent to 21.7 million tons. With the 1965/66 initial sugar export quota to the United States of 316,222 tons down sharply from the previous final quota, Mexico may end the current marketing year with heavy stocks--between 500,000 and 600,000 tons. This may be an inducement to implement a plan to reduce the area in sugar in favor of other crops.

Record production of principal fruits and vegetables for 1965, up about 3 percent, will increase export supplies over the previous year when most of this group experienced record shipments in spite of an estimated 2 percent annual increase in domestic consumption of fruits and vegetables.

Oilseed output for 1965 increased about 3 percent over the previous crop. Peanuts and sesame seed were up sharply from the poor crop year of 1964. Soybean production increased by two-thirds to 60,000 metric tons. Flaxseed output showed little gain while cottonseed was up slightly.

Coffee production in 1965 was up almost 10 percent over 1964 to 177,000 metric tons. The coffee area is being slowly reduced in agreement with International Coffee Agreement objectives. However, it appears that the 5 percent reduction in acreage which has already been made may not be enough to reduce output due to the likelihood of higher yields.

Livestock production: The total number of cattle, placed at 28.3 million in mid-1965, was up about 5 percent over 1964. Hog numbers increased by 4 percent to 9.7 million in 1965. The sheep and goat population registered small increases; poultry numbers were likely up. The 1965 index of livestock output increased by nearly 2 percent for a per capita decline of about 2 percent,a decline in live cattle exports being more than offset by gains in meat, milk, mutton, and wool production.

Reduced cattle exports reflected the drop in prices for feeder calves exported to the United States to 27 cents a pound from a high of 30 cents a pound early in 1965. However, the expected strong demand in the United States for feeder calves may prevent further price declines. Beef and veal and pork production were up 3 percent in 1965 to 507,000 and 216,000 metric tons, respectively, while mutton and wool output registered slight gains.

Milk production in 1965 continued up, over 2 percent over 1964, to a record 4 million metric tons. This resulted from an increase in number of cows milked to 4.8 million head, which more than offset reduced output per cow milked.

Foreign trade: Mexican exports increased to $1.1 billion in 1964, up 7 percent from 1963. Agricultural exports in 1964 totaled $542 million, up about 10 percent by value from a year earlier. In 1965, exports of agricultural products probably maintained the level reached in 1964.

Mexico's major agricultural exports are cotton, coffee, sugar, and, in 1964, wheat. These 4 commodities account for over 68 percent of total farm exports. Most of the remainder is accounted for by feeder cattle, fresh and frozen beef and veal, and fresh fruits and vegetables, mainly tomatoes.

Exports of cotton totaled $170 million in 1964, down about 13 percent from the previous year but still representing about 30 percent of total agricultural exports.

Cotton exports are expected to be larger in 1965 due to the large carry-over from 1964. Mexico expects to fill the International Coffee Agreement quota of 85,380 tons (1.423 million bags), for the 1965/66 marketing year and expects to ship an additional 6,000 tons (127,000 bags) to nonquota markets. This would be an increase over the total of 85,500 tons (1.425 million bags) shipped during the 1964/65 marketing year.

The initial U.S. sugar quota for 1965/66 reduces Mexico's share 27 percent from the final quota a year earlier to 316,222 tons. To reach 1964's export level of 524,000 tons, rather large exports will have to be made to other world markets.

Wheat exports during the first 8 months of 1965 totaled 271,000 tons. At this rate, wheat shipments will likely not approximate the 1964 record of 576,000 tons, with the total expected to be about 350,000 tons. Exports of corn during the first 8 months of 1965 increased to 606,000 tons compared to 150,000 tons for the same period in 1964; the total for 1965 is estimated at 985,000 tons. This sharp increase was primarily because of large contract sales to Poland. As a result, carry-over stocks of corn for 1966 are expected to be negligible compared to previous years.

The government export quota for live cattle for the export year beginning September 1, 1965, which includes meat in terms of cattle, is 510,000 head, compared with the previous quota of 1.39 million head, a drop of 63 percent. The reduction in the quota is due mainly to increased demand for meat in Mexico. In addition, higher export duties for feeder calves went into effect on January 1, 1966. It is doubtful whether the quota will be filled as only 246,089 head were shipped during the first 6 months of 1965, usually the peak shipping months; the total for 1965 may not exceed 300,000 head.

Mexico's beef and veal export quota to the United States was 31,000 tons for 1965. Exports of beef and veal, mostly to the United States, dropped to 8,877 metric tons during the first 6 months of 1965, down 30 percent from the previous year. Such exports may have increased at a faster rate in the last 6 months of 1965, but Mexico likely supplied only about 65 percent of its U.S. quota.

Fresh vegetable exports to the United States during the first 6 months of 1965 were slightly larger than for the same period of the previous year. Favorable weather and some crop diversification are resulting in record output of some crops, and exports during the 1965/66 winter season may be very high. Exports of tomatoes, frozen strawberries, and cucumbers may reach record levels.

Mexico's imports, which have been climbing in recent years, rose sharply in 1964 to $1.5 billion. Agricultural imports, which usually account for less than 10 percent of total imports, dropped to about $105 million in 1964. Imports in 1965 were estimated as near this lower rate, with little change likely for 1966.

Mexico's major agricultural imports are wool, rubber, and evaporated and condensed milk, wool alone accounting for about 25 percent of the total.

The United States has been the traditional market for Mexican farm products, normally receiving about 70 percent of the total value of agricultural exports. Principal exports to the United States are live cattle, fresh and frozen beef and veal, fresh tomatoes, cantaloupes, coffee, sugar, and henequen. The United States is also the major supplier of agricultural commodities to the Mexican market, but the U.S. share has been declining somewhat in recent years. The United States normally ships dairy products, tobacco, feeds and fodders, breeding cattle, hides and skins, and barley grain and malt. In some years there are large shipments of corn when Mexican production declines due to drought or other adverse growing conditions. (Woodrow A. Schlegel)

CARIBBEAN

CUBA

Cuba's economic record for the 7 years under Castro contains many disappointments and few successes. Although the gross national product may have increased by as much as 3 to 5 percent in 1965 due mainly to the recovery in sugar production, it failed to recover much of the more than 15 percent decline of the previous 6 years and resulted in a per capita output of $365 -- only about 85 percent of the 1958 level. Current policies offer few prospects for sustaining this upturn.

Population, estimated at 7.6 million in 1965, is increasing at a rate of 2.2 percent annually. Inflationary pressures and food rationing continue. Food consumption was estimated at an average of 2,730 calories per capita per day in 1959-61. Present consumption is much lower, possibly not more than 2,100 to 2,300 calories.

Agriculture contributed one-third of the national income, furnished employment for two-fifths of the labor force, and accounted for nine-tenths of the value of all exports prior to the present government. Its present relative position, in an economy operating at a much lower level, has probably not changed greatly.

The estimated index of agricultural output for 1965 indicates an increase of 12 percent from 1964 because of a continued rise in sugar, but output remained only about 90 percent of the 1955-59 average. At the same time, per capita agricultural output in 1965 was only about 76 percent of the 1955-59 average. Total and per capita food output, excluding sugar, declined.

Total crop output was up 22 percent, or 18 percent per capita. The Castro government claims that output of centrifugal sugar increased for the second year in a row and that the 1965 production of 6 million tons was the largest since 1961. Despite an increase in the sugarcane area, the combined effect of drought and overcutting of cane in 1965 may reduce sugar output in 1966.

Increased plantings of cane have cut into the production of rice, corn, and beans, and production of these staples probably hit lows of 110,000 tons, 100,000 tons, and 25,000 tons, respectively. Production of tobacco increased in 1965 and the output of root crops and coffee declined. However, all remain well below 1957-59 levels.

The value of livestock output in 1965 was estimated to have declined about 8 percent to about the 1962 level. Per capita output was off sharply by 10 percent. Meat output probably was little changed from the 1964 level of about 195,000 tons but milk production likely hit a low of around 575,000, off 6 percent. The livestock sector may suffer a further setback in 1966 because of prolonged drought and the substitution of sugarcane for pangola grass in prime grazing areas.

Most of Cuba's total and agricultural trade has been under arrangements with other Communist countries since 1961. In 1963, the last year for which trade statistics are available, Cuba valued its exports (mostly sugar) at $544 million and its imports at $867 million, including $180 million worth of food and $20 million of other farm products. In that year, all of Cuba's deficit was in trade with other Communist countries.

In 1964, Cuba built up a large deficit in trade with other countries, a deficit which Cuba attempted to reduce with increased exports of sugar and tobacco in 1965. Cuba's 1965 exports of sugar were estimated at 5.2 million tons, the largest since

1961, of which an estimated 1.6 million tons were shipped to noncommunist countries. Substantial imports of wheat and beans and increased imports of rice and corn in 1965 were not sufficient to offset production shortfalls. (Donald Chrisler)

HAITI

Some economic recovery continued in 1965. The gross national product may have increased by over 1 percent to $280 million for an unchanged per capita output of approximately $60. In spite of an acceleration in the upturn which started in the previous year, prospects for 1966 are uncertain.

Gains registered in 1965 stemmed almost entirely from increased agricultural output which contributes about half of the gross national product. Industry and manufacture, commerce, and other once-important economic sectors continued to show little or no advance.

Severe economic problems were not altered by some short-term improvement in 1965. Agricultural gains represent continued recovery from the disastrous 1963 hurricane but output is actually below the 1955-59 level. The favorable trade balance of 1963 gave way to a smaller surplus in 1964 with the outlook uncertain for 1965. Gold and foreign exchange reserves of $1.8 million in October 1965 were the lowest since 1958. Inflation continues and the cost-of-living index increased 5 percent in the first 6 months of 1965. Population, estimated at 4.6 million in 1965, is growing at about 2.1 percent annually. Per capita food consumption, the lowest in the hemisphere, is far from adequate and is probably below the 1,780 calories per day estimated for 1959-61.

Agricultural development is important to long-range improvement in the Haitian economy but is receiving meager attention. However, a recent Inter-American Development Bank loan of $3.5 million is designed to provide credit and technical assistance to 8,000 farmers and to increase production of corn, millet, beans, potatoes, oil crops, cotton, and pastures.

The index of total agricultural output likely increased 5 percent to 91 while the index of food production increased 3 percent to 90, with per capita gains for both of about 3 percent (1957-59=100). Increased agricultural output reflected for the most part very favorable weather after a drought early in the growing season, with little or no general increase in inputs or improvement in production practices.

Crop production probably increased 4 percent in 1965 for a per capita gain of 2 percent. The 8 principal crops reported either stayed the same or increased, except for sugarcane. Coffee output increased 6 percent to 35,000 tons, largely as a result of cylic trends. Sugarcane output, controlled by the Haitian-American Sugar Company, was estimated at 564,000 tons, down 3 percent. Sisal and tobacco output was unchanged at 25,000 tons and 1,100 tons respectively. Cocoa beans increased 14 percent to 3,200 tons. Food production increases included: corn, up 3 percent to 81,000 tons; rice, up 5 percent to 42,000 tons; and probably other minor crops, such as beans, yuca, and breadfruit.

Livestock production increased about 4 percent for a per capita gain of 3 percent. A gain for beef and veal, up 11 percent to 10,000 tons, was responsible for the overall increase, with pork and mutton unchanged at 10,000 and 2,000 tons, respectively.

Exports were valued at $40.4 million in 1964, down 2 percent from a year earlier, and imports at $40.7 million, up 5 percent. Both exports and imports were down in the first quarter of 1965 compared to the same period a year earlier.

Agricultural products account for about 95 percent of exports and 25 percent of imports. Coffee, sisal, cocoa beans, and sugar and molasses make up virtually all of the agricultural exports; two-thirds of the agricultural imports are wheat and wheat flour and fats and oils.

Total exports, mostly agricultural, for the first quarter of 1965 were off 18 percent from the same period a year earlier in both quantity and value, declining from $13.6 to $11.1 million. Coffee dropped from $7.6 to $6.9 million; sisal, from $0.9 to $0.5 million; and sugar, from $1.0 to $0.6 million. However, exports of cocoa beans were probably up. Total imports for the same period declined $3.4 million, or 27 percent, to $9.1 million, with food imports likely down less than the total. Exports may have shown some increase, and imports some decline, for all of 1965 in view of increased agricultural output. (Woodrow A. Schlegel)

DOMINICAN REPUBLIC

More normal economic conditions were restored by September after the political crisis which erupted in April had seriously reduced the level of economic activity for 1965. The gross national product may have declined about 16 percent from 1964's $830 million, for a per capita output of $195, as a result of the crisis, the sharp drop in world prices of sugar and cocoa beans, and drought.

Gold and foreign exchange reserves increased from $25 million in March 1965 to $46 million in August because of large amounts of foreign grants and the fact that exports continued to move while imports were down.

Retail prices and the cost of living have increased sharply in recent months, due in part to the reduced bean and peanut crops. Population totaled 3.6 million in 1965 with an annual growth rate of 3.1 percent. Average food consumption in 1965 was inadequate and probably not over the 2,020 calories per capita daily average estimated for 1959-61.

The stabilization program, initiated in August 1964 and designed to bring the country's foreign exchange requirements in line with its earnings, was continued and strengthened by the new National Reconstruction Government. Agricultural policy has been directed in recent years towards production of crops which the Dominican Republic can grow most efficiently such as fruits and vegetables. However, the increase in population, a drought in 1965 and the continuing political crisis have placed additional pressures on current agricultural production.

Total 1965 agricultural production was estimated to have dropped nearly 1 percent to an index of 110, a per capita decline of over 3 percent (1957-59 = 100). Comparable estimates for food production are drops of 3 percent and 6 percent, respectively.

Crop production was unchanged for a per capita decline of 2 percent. Sugarcane production for 1965 may have dropped to 6.2 million metric tons, down about 11 percent due to civil strife and labor strikes. As a result of better cultivation methods, the important rice crop was up about 10 percent to 170,000 tons. Coffee production rose 5 percent to 42,000 tons. It is estimated that cocoa bean production remained at 40,000 metric tons, the same level as in 1964. A sharp drop in the world prices early in the year may have adversely affected final production. Drought conditions in the early part of the year resulted in a drop in bean production and kept production of peanuts and corn low. Disease continued to reduce the banana crop; it was down 9 percent to 318,000 metric tons. Tobacco increased to 23,000 metric tons, up from the poor 1964 crop of 20,000 tons.

The output of livestock products decreased almost 4 percent in total and over 7 percent per capita in 1965, reflecting an 8 percent drop in beef production to 24,000 metric tons and a 2 percent drop in milk production to 165,000 tons. This decline was due primarily to the effect of drought conditions on pasture. Pork production remained at the same level of a year earlier at 8,000 tons.

Exports totaled $179.9 million and imports $191.2 million in 1964, up 3 and 19 percent, respectively, from 1963. Sugar and sugar products accounted for about 52 percent of total exports and, together with coffee, cocoa, and tobacco, 86 percent. Agricultural products make up less than 10 percent of total imports and normally consist mostly of wheat and wheat flour, together with lesser amounts of vegetables, tallow, cereal preparations, and meat. However, in 1964 rice replaced wheat as the major food import and bean imports were important. The Dominican Republic's principal foreign market for and source of agricultural products is the United States. U.S. agricultural imports in 1964 from the Dominican Republic amounted to $111 million, or over 60 percent of total farm exports from that country. Imports from the United States were $29 million, or 26 percent of the Dominican Republic's total agricultural imports.

As a result of poor production in 1965, agricultural imports are expected to increase substantially this year. If the Government decides to accelerate livestock development programs, a considerable increase in feedgrains and mixed feeds might be required. (Woodrow A. Schlegel)

JAMAICA

The modest economic boom which began during 1964 continued through 1965, carrying with it an expansion of the gross national product by an estimated 5 percent to $761 million, for a per capita output of $415. The outlook is uncertain for 1966 due to the growing trade deficit, unemployment, and lag in agricultural output.

Record imports in 1964 exceeded $282 million while exports rose slightly to $218 million. As a result, the trade deficit reached an all-time high of $64 million. The trade picture worsened with exports down and imports continuing upward during the first 6 months of 1965.

Population was estimated at 1.8 million in 1965 with an annual growth rate of 2.2 percent. Persistent unemployment and underemployment remain among Jamaica's most serious problems. The cost-of-living index increased by 4 percent during the first 10 months of 1965. Food consumption in 1965 was probably higher than the 2,270 calories daily per capita estimated for 1959-61.

Since 1963, agricultural policy has been directed towards increasing production of food crops in order to make more food available in the market place. This policy has been implemented by an agency of the Government that purchases, at prices announced for each week, all of certain commodities that the grower wants to sell. The intent of this program is not necessarily to provide a better price for the grower, but rather to encourage production by creating a market confidence. Related programs include rebates on planting costs and subsidies on food crops. Development plans include the improvement of agriculture through land reform and irrigation projects.

Total agricultural production increased an estimated 2 percent over a year earlier to an index of 129 for a per capita decline of close to one percent (1957-59=100). Total food production increased 2 percent, but per capita output remained unchanged.

Crop output increased about 1 percent for a per capita gain of almost 2 percent. Jamaica produces 2 main crops--sugar and bananas. Sugarcane production was estimated

at 4.8 million metric tons in 1965, up 2 percent from the previous year. As a result of drought and strikes in 1965, banana production was probably close to 1964's output of 318,000 tons.

Cocoa and coffee production was up to 3,000 and 2,100 metric tons, respectively, in 1965. Disinterest on the part of the farmers resulted in the second successive decline in rice production, down to 2,000 tons. Potato production was up 14 percent to 12,000 tons; beans and peas and yuca showed no gains; and corn and sweetpotatoes registered small declines.

Livestock production gained almost 8 percent for a per capita increase of 5 percent in 1965. Beef rose 11 percent to 13,300 metric tons. Pork, mutton, and milk showed slight increases.

Jamaica's exports and imports in 1964, valued at $218 million and $282 million, respectively, were up 8 and 25 percent over 1963. Agricultural exports were down 4 percent to $95 million in 1964 while farm imports increased over 20 percent to $54 million. Principal agricultural exports are sugar and bananas; about 70 percent of agricultural imports are wheat flour, other grains and preparations, meat and meat products, and rice. For the first 7 months of 1965, agricultural exports were down slightly to $67 million compared to the same period of 1964 while imports increased about 5 percent to $33 million. The continuing downtrend in agricultural exports reflects declines for sugar and bananas; increased farm imports, on top of a $11 million gain in 1964, resulted from a steady growth in food needs and lagging agricultural output. The outlook is for increased efforts to push agricultural exports; in spite of restrictions on imports, food imports will probably continue to grow. (Woodrow A. Schlegel)

TRINIDAD AND TOBAGO

Gains in economic activity and growth continued in 1965 and are expected to carry over into 1966. The gross national product was estimated at $623 million, up 6 percent from 1964, with a per capita output of $630.

Economic activity in 1965 was characterized by record levels of industrial output. Plans for the establishment of new industries continue and there is continued investor interest. The cost-of-living index moved up less than one percent for the first 8 months of 1965. Imports dropped slightly while exports increased 3 percent during the first 6 months of 1965 compared to the same period of a year earlier.

Population totaled 986,000 in 1965 with an annual growth rate of 3.0 percent. Average food consumption in 1965 was probably higher than the 2,470 calories daily per capita estimated for 1959-61.

Agricultural policy is currently directed toward increasing food production in an effort to employ surplus labor and curtail food imports, which in 1964 amounted to $50 million. To correct growing imbalances in the economy, Trinidad's Second Five-Year Plan (1964-68) seeks to accelerate growth in agriculture and manufacturing and reduce dependence on petroleum.

Total 1965 agricultural and food production increased about 4 percent to indices of 117 and 116, respectively, for per capita gains of more than 1 percent (1957-59=100).

Crop output probably registered a gain of about 3 percent for no per capita change. Sugarcane production reached record levels in 1965, 4 percent above 1964 to

2.5 million metric tons. However, the sugar industry, the mainstay of Trinidad's agriculture, is in difficulty because of high production costs and low negotiated prices.

As a result of emphasis on exports of coffee and cocoa, production for both crops continues at high levels. However, coffee output declined 7 percent to 4,200 tons while cocoa bean production increased 11 percent to 5,000 tons. The important rice crop was up 6 percent to 18,600 tons. Output of sweetpotatoes and yuca maintained the same level as a year earlier but bananas were down slightly to 25,000 metric tons.

The output of livestock products increased 8 percent for a per capita gain of 5 percent in 1965, reflecting a 9 percent increase in milk production to 19,000 metric tons due largely to a sharp increase in milk prices paid to farmers. Beef and pork output increased slightly to 1,400 and 1,100 tons, respectively.

Exports totaled $405 million and imports $423 million in 1964, up 9 and 13 percent, respectively, from 1963. Agricultural products account for about 9 percent of total exports. Sugar and sugar products account for over 70 percent of total agricultural exports and, together with coffee, cocoa, and citrus fruits, over 90 percent. Agricultural products make up about 12 percent of total imports. Cereals and cereal products, mainly wheat flour, account for 30 percent of total agricultural imports and, together with meat and meat preparations and dairy products, 65 percent.

Trinidad and Tobago's principal source for agricultural imports is the United States, which supplied 24 percent of total agricultural imports in 1964. The United Kingdom is the most important market for their agricultural exports, taking 49 percent in 1964, mainly sugar.

As a result of increased import restrictions applied during 1965, agricultural imports are expected to decline slightly from the previous year's level. Sharp declines in world molasses prices may hold the value of agricultural exports in 1965 to about the same level as 1964. (Woodrow A. Schlegel)

OTHER CARIBBEAN ISLANDS

The economies of the dependent Caribbean islands whose agriculture suffered from hurricanes in 1963 and 1964 have largely recovered. The outlook is for continued growth during 1966, barring serious hurricane damage. As used here, these islands exclude the Commonwealth of Puerto Rico and U.S. dependencies and include the Netherlands Antilles; the French Antilles; and the British dependencies of the Bahamas, Bermuda, Virgin Islands, Barbados, and the Leeward and Windward Islands.

Contribution of agriculture to the gross domestic product increased in 1965 on many islands because of higher crop output. The growth of tourism and establishment of some light industries are aiding the islands' economies. Development is encouraged by various inducements, including duty-free imports of raw materials and freedom from income tax for a specified period.

The area's population is estimated at about 1.7 million and is increasing for the islands at an estimated rate of 1.3 percent per year. Per capita income estimates for recent years range from about $150 to about $350 for the several islands. Food consumption levels vary considerably, probably from around 2,100 calories to a more than an adequate level of 2,450 calories per capita per day. Agricultural production, insufficient to meet food requirements, is heavily supplemented by imports.

Total agricultural output was probably up in 1965 as banana production recovered from the hurricane damage of 1963 and 1964. Martinique's 1965 banana crop (220,000 tons was twice the 1964 level. Banana output also increased in Guadeloupe and the Windward Islands. Output should continue to rise in 1966. Banana cultivation has become one of the main agricultural industries in the Windward Islands, supplanting sugar in St. Lucia, and sugar and arrowroot in St. Vincent. In Martinique and Guadeloupe, banana growing has developed in recent years from a subsistence crop to a commercial undertaking.

Sugar, the other principal crop, is now produced for export only in Barbados, Antigua and St. Kitts (Leeward Islands), Guadeloupe, and Martinique. Production was likely up 10 percent to about 500,000 tons in 1965 and is expected to remain at that level in 1966. Production of citrus and cocoa is being encouraged and no doubt will increase in the near future when new plantings come into bearing. Production of nutmeg and mace in Grenada is continuing its slow recovery from the devastation caused by hurricane in 1955. Favorable prices are expected to hasten this recovery.

The livestock improvement programs in some islands continue to upgrade the local cattle and increase meat production.

Agricultural trade was higher in 1965 than the previous year. Banana exports were substantially larger and exports of sugar, nutmeg, and mace increased somewhat. (Donald Chrisler)

CENTRAL AMERICA

BRITISH HONDURAS

The economy of British Honduras failed to grow in 1965 and suffered 3 setbacks: The withdrawal of the Hercules Resin Plant which employed 350 persons, the decision of United Fruit not to go ahead with the $15 million banana project which would have employed 2,000 persons, and low citrus prices.

Around 27 percent of the gross national product is derived from agriculture. Citrus, sugar and lumber production are the chief economic activities and accounted for 93 percent of total domestic exports in 1963. Exports usually total about $8 million annually, with imports double this amount. This trade imbalance contributes to chronic balance-of-payment and foreign exchange problems.

Population in 1965 was estimated at 107,000 with a growth rate of 2.9 percent. Food consumption may have been slightly higher than the 2,020 calories estimated for 1959-61 because of better local foodgrain crops.

The Ministry of Natural Resources is encouraging increased rice production through the introduction of disease-resistant varieties. The country is also aiming at self-sufficiency in rice by 1968 and is approaching self-sufficiency in corn production. The Department of Agriculture has released projections indicating that citrus acreage will be greatly expanded by 1968.

Production of both export and food crops in 1965 was likely up from the previous year. Sugar output was estimated at 38,000 tons compared with 34,000 in 1964. Cane acreage is expanding rapidly and a further increase in sugar production is expected in 1966. The British firm, Tate and Lyle, is hoping to expand sugar production to 45,000 tons in the next 3 years. About $14.5 million is to be spent on a new sugar mill and on the development of cane acreage from virgin land.

New plantings and increased yields from older groves boosted 1965 citrus production to an all-time record with further increases planned over the next 3 years. The area in bearing orange trees is projected at 6,114 acres in 1968 compared with the present 4,286 acres; bearing grapefruit trees will occupy 1,354 acres compared with 772 acres at this time according to the projections.

Meat production in 1965 probably was little changed from that in recent years. Numbers of cattle and sheep slaughtered have increased somewhat but hog slaughter is trending downward. During 1965, 28 head of purebred cattle were purchased in the United States and will be used to upgrade local beef herds. Plans are going forward for the completion of a slaughter plant by early 1966. In July the Government granted incentives in the form of exemption from duty and entry tax on slaughterhouse equipment, replacement parts, livestock, and raw materials not available locally.

Exports of the 2 most important foreign exchange earners, sugar and citrus, are expected to continue to expand. The United Kingdom is still the leading market for British Honduras' agricultural products but its share in the total has decreased.

Agricultural imports account for about one-fourth of total imports. Imports in 1966 will consist of the same variety of products as in the past, with dairy products, wheat flour, meats, lard, rice and fruits and vegetables the most important items. Consideration is being given to discontinuing the family feeding portion of the CARE program. Should this occur, imports of powdered milk will probably decline. Import requirements for some meat products are expected to decline when the slaughter plant begins operation.

The United States is the chief source of agricultural imports, supplying 49 percent of the total in 1964. However, this represented a decline from 1963 of 6 percent in the U.S. share. (Mary S. Coyner)

GUATEMALA

Economic activity in Guatemala continued its upward trend into the third quarter of 1965 and should continue strong into 1966. The estimated gross national product of $1,349 million, or $305 per capita, was up more than 4 percent from 1964; agriculture's contribution amounted to less than one-third.

The country faced an unexpected and serious balance-of-payments situation in 1965 in spite of continued economic growth. Gold and foreign exchange reserves of the $59 million at the end of September were at the lowest level since 1962. Imports have outpaced exports and increased by 60 percent since 1962, reflecting rapidly rising imports of capital goods, consumer goods and raw materials. Population was estimated at 4.4 million with a growth rate of 3.1 percent in 1965 and food consumption was probably slightly less than the 1959-61 level of 1,970 calories per capita per day.

Several Executive Orders designed to strengthen the cotton industry were passed during the year. The first concerned measures on the safety of workers on cotton plantations; the second established producing zones and procedures for electing members of a National Cotton Council; and the third established regulations governing fumigation and insect control operations by aircraft. In May an Executive Order authorized the duty-free importation of 18,140 tons of corn from outside Central America, due to reduced output. In October an Executive Order re-established a prohibition on the importation of baby chicks to protect the local industry.

The rice improvement program, including distribution of improved seed and providing credit to producers, sponsored by the Ministry of Agriculture, has resulted in some increase in rice production in recent years. Another factor in this increase is the minimum price program conducted by the Institute for Production Development. INFOP now buys rough rice directly from producers at the minimum price and the mills must buy from INFOP, thus eliminating a practice by the mills of paying producers less than the minimum price.

The index of agricultural output for 1965 was estimated at 155, almost 8 percent above 1964, but the food production index was down nearly 4 percent to 131 (1957-59 = 100). Total output was up about 4 percent and food production was down over 6 percent on a per capita basis.

Crop output was up about 8 percent; increases included coffee, cotton, cottonseed, wheat, rice and tobacco. Severe drought in eastern Guatemala limited banana output for the second successive year. The United Fruit Company's expansion program has been delayed until completion of an irrigation system. Drought also cut corn and bean production. Potato production probably will be the same as the previous year, with sugarcane production down slightly.

Coffee production in 1965 was estimated at 120,000 tons, a record output. Planting conditions for the 1965 cotton crop were excellent and the entire authorized acreage was planted. Output of both fiber and seed topped all previous records; lint output was estimated at 76,000 tons.

Food crop output was down as a result of drought. The corn crop was estimated at 612,000 tons, down 5 percent from 1964. Bean production was down about 12 percent to 36,000 tons. Rice was up slightly to 22,000 tons and potatoes remained unchanged at 16,000 tons.

The production of livestock products increased almost 1 percent. Output of beef and pork probably remained unchanged, but milk was up over 2 percent. Beef cattle numbers are increasing at around 4 percent annually and may now total 1.66 million. Dairy cow numbers increased by 5 percent between 1963 and 1964; hog numbers were unchanged at 381,000 head.

Exports totaled $155.5 million and imports $202.5 million in 1964, of which agricultural products accounted for 86 and 10 percent, respectively. Coffee, cotton, sugar, bananas and beef accounted for 90 percent of the agricultural total; wheat, other grains and cereal products, dairy products, livestock, tallow and vegetable shortening accounted for almost three-fourths of agricultural imports.

Exports of bananas, sugar and coffee in 1965 probably were below 1964, with cotton and beef up. For 1966, gains are likely for coffee, bananas, cotton and beef.

Guatemalan imports of wheat, corn and other cereal products, beans, dairy products and crude tallow were up in 1965. Imports of beef cattle and vegetable shortening probably were down. Agricultural imports in 1966 may be somewhat above 1965 since larger imports of corn and beans will likely be needed early in the year. (Mary S. Coyner)

HONDURAS

Economic activity in Honduras continued at a brisk pace throughout 1965 and indications point to a similar situation in 1966.

Despite some fall-off in retail trade in the third quarter of the year, the private sector progressed satisfactorily. Construction surpassed the same period last year by a wide margin and industrial production and expansion continued to set new records. Gold and foreign exchange reserves at the end of September stood at $29 million, up from $20 million at the end of 1964.

In the agricultural sector, the third quarter of 1965 was marked by continuing large banana exports, by drought and floods that affected the corn and bean crops, and by growing concern among coffee and cotton planters over world markets in 1966. Despite industrial progress, the economy of Honduras still depends primarily on agriculture and forestry, which contributed 44 percent of gross national product in 1964.

Population in 1965 was estimated at 2.3 million with a growth rate of 3.1 percent. Food consumption probably was little changed from the 2,330 calories per capita estimated for 1959-61.

New developments in 1965 affecting agriculture were: The opening of a new cotton bag factory which will increase local consumption of cotton fiber; increased cotton ginning capacity; opening of a new slaughter plant and a tannery; imports of beef and dairy breeding stock; and a program to produce improved corn, rice, bean and sorghum seed.

Total agricultural production in 1965 reached an index of 157, 16 percent above a year earlier, with the food production index at 153, up 20 percent (1957-59 = 100). The per capita gains were 13 percent for the total and 15 percent for food output.

Crop output gained 16 percent in 1965. Flowering of the coffee crop was excellent and the growing season ideal. Output was estimated at 29,000 tons, up 7 percent from the previous year. A substantial increase of 35 percent in banana output reflects production from extensive new plantings by the United Fruit Company.

Lower prices received for the 1964 cotton crop and uncertainty regarding future prices discouraged a large expansion in 1965 cotton acreage. However, output was up by 10 percent to 11,900 tons.

Production of centrifugal sugar continues to expand. Sugarcane processed in 1965 was estimated at 853,000 tons, up 10 percent from 1964. However, domestic consumption of sugar was up 7 percent to around 32,000 tons and imports of 2,000 tons were needed. Other estimated increases were: Corn, 16 percent; beans, 10 percent; and tobacco, 9 percent.

Livestock production increased an estimated 5 percent in 1965. Beef production was up by 4 percent to 25,000 tons, milk, by 3 percent to 145,000 tons, and pork, by 20 percent to 6,000 tons.

Trade expansion continued through the first half of 1965. Exports (including re-exports) totaled $73.5 million for an increase of 31 percent over a year earlier; imports increased by 20 percent to $57.5 million, indicating the possibility of a favorable trade balance for the year.

Agricultural exports in 1964 totaled $71 million and accounted for 77 percent of all exports. The leading export items were bananas, coffee, corn, cotton, vegetables, beef and livestock. For 1965, further increases were indicated in exports of bananas, coffee, cotton, beef, corn and tobacco. Honduras will probably make every effort to fill its U.S. sugar quota of 3,681 tons starting in 1966. Livestock exports were probably off in 1965.

Almost three-fourths of the value of agricultural imports in 1964 were wheat, flour and other cereal products, dairy products, fruits and vegetables Imports of these commodities probably increased in 1965 and will continue at high levels this year. Honduras is not expected to import sugar in 1966. (Mary S. Coyner)

EL SALVADOR

At the end of the first 9 months of 1965, El Salvador's economy still suffered some aftereffects of the May 3 earthquake. However, the economy was well on the way to full recovery and to continuing expansion. For the first time the gross national product probably reached $800 million, $275 per capita, an increase of nearly 6 percent over 1964.

International trade continued at levels above the previous year but El Salvador probably will end the year with another adverse trade balance. However, economic progress continued to attract new investment, and gold and foreign exchange reserves of $59 million in September were 11 percent above the end of 1964. Population was estimated at 2.9 million in 1965 with a 3.3 percent growth rate. Food consumption probably was little changed from the daily 2,000 calories per capita for 1959-61.

In 1965 a minimum wage was established for workers in the agricultural sector, which accounts for 30 percent of the gross national product and employs more than half the labor force.

Estimated agricultural production for 1965 was up nearly 1 percent to an index of 144, and food production was up almost 7 percent to an index of 129 (1957-59=100). On a per capita basis, total output declined 2 percent but food production increased about 4 percent.

Crop output gained over 1 percent from a year earlier. Gains in sugarcane, coffee, and corn more than offset smaller output of beans, cotton and cottonseed, and tobacco. A coffee crop previously estimated at 126,000 tons was up 5 percent. However, later estimates indicate a reduction of 10 percent or more, which would lessen the surplus problem.

An output of 112,000 tons of centrifugal sugar was indicated based on the expected sugarcane harvest, up 60 percent from a year earlier at 1.05 million tons. Domestic consumption continues to increase due to smaller supplies of noncentrifugal sugar and to greater industrial use of centrifugal sugar. Corn production of 212,000 tons was up by 10 percent over the previous year because of a shift in acreage from cotton to corn and greater use of improved seed and fertilizer.

Estimated cotton output of 65,000 tons was about 14 percent less than the previous year, with a corresponding drop in cottonseed. Reduced acreage, resulting from poor weather and declining world prices, was responsible for the drop in production. Output of beans was expected to decline by one-third, tobacco by 8 percent. Rice production remained at the 1964 level of 40,000 tons.

The production of livestock products showed no change over 1964. Beef production was estimated at 22,000 tons and pork at 15,000 tons. In spite of Government efforts to upgrade cattle herds, the industry continues to lag. Cattle numbers are increasing at only 1.2 percent annually. Hog numbers are declining, but this trend is expected to be checked when the Government's new program gets under way. The program is aimed at increasing hog numbers by 50,000 per year.

Exports totaled $178.2 million and imports $191.1 million in 1964. Agricultural trade accounted for 80 percent of exports and 14 percent of imports. Wheat, corn, beans, fresh fruits, dairy products, industrial tallow, and leaf tobacco accounted for over half the agricultural imports.

Total exports in 1965 probably were up moderately. For the first 9 months they were 4 percent above a year earlier. Cotton and coffee exports were down from the 1964 levels of 65,445 tons and 108,000 tons, respectively. El Salvador is seeking new markets for coffee and cotton in communist countries. Trade was initiated with Poland, with small quantities of coffee and cotton shipped in 1965. Sugar exports doubled, reaching a record 41,000 tons. For 1966, cotton and coffee exports may decline further, and sugar exports increase.

Total imports in 1965 probably increased at a higher rate than exports. Nine-month totals indicated a rise of 9 percent over 1964. An increase in agricultural imports was likely in 1965 with a further increase required in 1966 to satisfy growing consumption needs. (Mary S. Coyner)

NICARAGUA

Nicaragua continued into 1965 the period of economic expansion which began in 1961. The gross national product of $506 million was about 5 percent above 1964, with a per capita output of $305. This upward trend may continue into 1966.

Investment in industry and agriculture continues high. Recently the Inter-American Development Bank authorized a $9.1 million loan to the Nicaraguan National Bank to help finance a program to develop the beef cattle industry. The National Bank will match the IADB loan with $12.7 million. The IADB also made a $1.1 million loan to the Nicaraguan Development Institute to finance the purchase of breeding cattle from the United States.

Population in 1965 was estimated at 1.65 million with a growth rate of 3.0 percent. Per capita food consumption in 1965 continued inadequate and was probably below the estimated 1959-61 average of 2,190 calories per day.

Agriculture continues as the most important sector of this economy, accounting for 35 percent of gross national product in 1964. Total agricultural output for 1965 was forecast at an index of 144 or 5 percent below 1964 because of drought which affected most crops (1957-59 = 100). Food production was probably down over 3 percent to an index of 115. Per capita declines were 9 and 7 percent respectively.

Crop output declined almost 9 percent. Cotton production in 1965 totaled 109,000 tons, down 9 percent from the record 1964 crop, with a corresponding decrease in cottonseed. Harvested acreage was about the same, but the extremely dry weather reduced yields.

The 1965 coffee crop was estimated at 33,000 tons, 3 percent below 1964. Centrifugal sugar output was estimated at 112,000 tons, the same as in 1964. A higher volume of cane was processed but sugar content was down.

Corn output was severely affected by the drought and was down by an estimated 30 percent to 111,000 tons. Imports in 1966 will be at record level.

Rice production was estimated at 30,000 tons, unchanged from a year earlier. Bean production was up 6 percent to 38,000 tons; tobacco output was unchanged.

The output of livestock products was little changed. Beef production was estimated at 27,000 tons, 4 percent above 1964. Domestic consumption of beef is increasing and, for the short-run, exports may show little if any increase. The output of pork and milk was unchanged.

Total 1964 exports of $124 million and imports of $134 million reached the highest levels in the country's history. Agricultural products accounted for about 82 percent of the exports and 9 percent of the imports. Exports of cotton, coffee, beef and sugar represented 85 percent of the agricultural total; wheat, corn and rice probably accounted for at least one-third of imports.

Cotton exports were down in 1965 from the 91,000 tons exported in 1964, reflecting the lower volume of production. Japan is Nicaragua's principal cotton market. Coffee exports probably were close to the 23,000 tons shipped in 1964. Sugar showed little change from 1964 exports of 48,000 tons. Beef exports in 1965 were estimated at 10,600 tons compared with 10,900 tons a year earlier.

For 1966, cotton exports may be down further with little change in coffee and beef. Sugar exports may increase.

Agricultural imports were estimated to be up in 1965 to meet increased consumption needs; further increases may occur in 1966. (Mary S. Coyner)

COSTA RICA

Costa Rica continued to show economic gains in 1965. The estimated gross national product reached $537 million, or $380 per capita, for an increase of 5 percent over 1964. The outlook for continued growth is promising, provided any fall in the value of coffee exports is compensated for by growth in other exports.

Industrial investment continued high in 1965. Sixty-seven Industrial Encouragement Law contracts were signed during the first 9 months of 1965. Most were for new industries, but some called for expansion in plant facilities and product lines by established firms.

Food consumption in 1965 was probably near the average of 2,520 calories daily per capita estimated for 1959-61. Population was estimated at 1.45 million with a growth rate of 4.3 percent.

About one-third of Costa Rica's gross national product is derived from agriculture. The index of agricultural output in 1965 was estimated at a record 123, up nearly 8 percent, and food was at an all-time high of 128, up almost 2 percent (1957-59 = 100). On a per capita basis, total output gained almost 5 percent but food production declined nearly 2 percent.

Crop production, up almost 10 percent, was mainly responsible for the agricultural gains and rebounded sharply from the low 1964 output which was down due to the combined effects of insect damage, volcanic ash, and general drought. Coffee trees have almost completely recovered from damage caused by volcanic ash. Coffee output in 1965 was estimated at 60,000 tons, up 20 percent from 1964. Both Standard and United Fruit Companies are expanding banana production. The 1965 banana crop was estimated at 567,000 tons, an increase of 7 percent from 1964.

Yields of centrifugal sugar improved in 1965 from 1964; output reached an estimated 104,000 tons, an increase of 5 percent from 1964 even though the volume of cane processed was about the same.

Drought in Guanacaste Province cut the production of corn and rice in that area. Increases in rice output in other areas partially offset the loss but imports will be necessary to satisfy local demand.

Corn production was down an estimated 3 percent to 62,000 tons; dried beans, down 5 percent to 21,000 tons; and cocoa beans, down 8 percent to 11,000 tons. Potatoes were up 11 percent to 10,000 tons and tobacco was up 15 percent to 1,500 tons. Rice was unchanged at 60,000 tons.

Livestock production increased nearly 3 percent over a year earlier due entirely to increased milk production. Beef and pork production remained at the level of the previous year, 33,000 and 9,000 tons, respectively. Cattle numbers for 1965 were estimated at 1.1 million head, a decline from both 1964 and 1963. There was probably little change in hog numbers. The dairy industry has almost recovered from the effects of volcanic eruptions. Dairymen took advantage of new grazing areas that were opened up as a result of the emergency. Milk production rose by 5 percent in 1965 to 204,000 tons.

In 1964 agricultural commodities accounted for 85 percent of total exports which reached $113.9 million. Total imports were $138.6 million of which 11 percent were agricultural.

For the first half of 1965, the value of major farm exports was down 12 percent from the comparable period of 1964. Important declines included: coffee, 16 percent; cocoa beans, 12 percent; beef, 45 percent; live cattle, 55 percent; and sugar, 4 percent. However, banana exports were up 9 percent.

Imports for January-June 1965 totaled $78.1 million, up $14.9 million from the same period of 1964. For the year, major agricultural imports probably exceeded 1964 by a small margin.

The value of agricultural trade in 1966 may remain near 1965 levels. A larger volume of coffee, sugar and cocoa may be exported but unit values are not expected to increase. Imports of wheat flour, animal feed and dairy products should continue near 1965 levels. (Mary S. Coyner)

PANAMA

Recovery and a resumption of growth characterized the economy in 1965 as a result of a return to more stable political conditions. The estimated gross national product of $548 million, or $440 per capita, was an increase of 4 percent over the near-static conditions of 1964. With continued political stability, the outlook for further growth in 1966 is favorable.

The economic upturn was reflected by several developments. Gains were registered in most sectors, led by the construction industry and aided by increased agricultural output, which still contributes almost a fourth of the gross national product. Increased retail sales provided a stimulus to production, the movement of inventories, and employment. The serious balance-of-payments situation was eased in 1965 when the International Monetary Fund approved a standby arrangement with Panama which authorized drawings up to $7 million. In 1964 the trade deficit narrowed slightly, following several years of widening gaps. Increases in exports of bananas, coffee, shrimp, and petroleum products were mostly responsible.

Population was estimated at 1.24 million in 1965, increasing at a rate of 3.0 percent. Food consumption was probably near the 2,370 calories daily per capita estimated for 1959-61.

Total agricultural output was estimated to have reached an index of 124 in 1965, up 5 percent, and food production an index of 124, up 6 percent (1957-59 = 100). Per capita gains were 2 and 3 percent, respectively.

Crop production gains of almost 8 percent, mostly in export crops, more than offset sharp declines in the output of livestock products. Production of bananas rose to 530,000 tons, up 9 percent; sugarcane was up 42 percent to 1.21 million tons. Cocoa bean production also increased 12 percent to 920 tons. Scattered drought reduced output of main food crops; corn, rice and coffee were unchanged at 80,000, 130,000 and 5,000 tons, respectively.

Output of livestock products declined an estimated 7 percent. Beef output declined by 4 percent to 24,000 tons, and a beef shortage developed when cattlemen attempted to raise prices by keeping slaughter cattle off the market. Cattle numbers, estimated at 0.9 million in 1965, continued to increase slowly in spite of drought losses. Toward the end of 1965 the Office of Price Control authorized a price increase of 1 cent per pound for live cattle and certain choice cuts of beef. Also, the President issued a decree designed to limit domestic consumption of beef and thus increase the availability of cattle for export. A milk shortage developed in mid-1965 as a result of the extended drought in the Central Provinces and output dropped by 8 percent to 55,000 tons.

Exports in 1964 totaled $69 million and imports $168 million. Agricultural trade represented 52 percent and 13 percent, respectively. Bananas, sugar and coffee accounted for over 95 percent of the agricultural export total. Wheat flour, other cereals and preparations, fruits and vegetables and preparations, dairy products, and meat and meat products probably made up over half of the agricultural imports.

The value of agricultural exports, up sharply in 1964 from around $29 million a year earlier, may have increased again in 1965. For the first 6 months, banana exports were up 36 percent over the same period a year earlier; cocoa and sugar exports likely increased also. Live cattle exports may have declined. Little change was estimated for coffee. Agricultural imports may have increased somewhat in 1965 because of short local supplies of food grains. Also, there was a partial shift from flour to wheat imports to supply the new flour mill.

The outlook for 1966 is for further increases in banana and sugar exports. There may be some decline in food grain imports if normal crop conditions prevail, with a possible increase in imports of processed food commodities. (Mary S. Coyner)

SOUTH AMERICA

COLOMBIA

Lingering economic problems and uncertainties prevented expected gains in 1965. Gross national product may have been up slightly from 1964, with per capita output unchanged at about $230 (1958 dollars). Some upturn at the end of the year, together with some improvement in the agricultural outlook, could result in a higher rate of growth in 1966.

Toward the end of 1965 the atmosphere of uncertainty and crisis, prevalent most of the year, began to clear up as a result of the Government's action in foreign exchange, fiscal, and related fields. However, some uneasiness still prevailed as prices of raw materials and some important consumption items continued to rise. In September the foreign exchange system went on a preferential market with 9 pesos to the U.S. dollar and an intermediate market with 13.50 pesos to the U.S. dollar. Items allocated to the preferential market included: Receipts from coffee, royalties, customs taxes, and petroleum capital; and payments for preferential imports, student expenditures, and petroleum purchased with dollars for domestic use. Principal items allocated to the intermediate market were: Receipts from minor exports, nonmonetary gold, registered capital and new loans; payments for intermediate imports and most ocean freight. In addition, the Government prohibited new barter arrangements, except for coffee.

Also of significance in 1965 was the implementation of an economic stabilization plan which is expected to generate receipts sufficient to balance the Government's budget at a level with its existing programs and responsibilities. The Government approved a 15 percent surcharge on 1964 income tax obligations (payable in 1965) and a 10 percent surcharge on 1965 obligations. A new decree also authorized the sale of Government bonds valued at 600 million pesos. Other actions included a tighter credit policy.

After the sharp rise in the cost of living during 1963 and 1964, there was a leveling-off tendency during 1965. This was mostly attributed to the return to normal crop conditions following the droughts during 1963 and 1964. Since the average Colombian spends over half his income for food, any shortages which increase prices have a marked effect on the cost of living. The depreciation of the peso by about half to the free dollar rate seems to have been a minor factor affecting the cost of living, since the peso purchased about the same amount of food at both rates--this being attributed to the rapid fall in the prices of food beginning in mid-1964 when production began to pick up.

Although industrialization has accelerated in the last decade, agriculture remains the largest economic sector, supplying almost one-third of the gross national product, employing over half the labor force, and supplying more than 80 percent of the country's export earnings. Colombia's population was estimated at 17.0 million in 1965 and is growing by 2.8 percent annually. Even though per capita food production rose, consumption remains inadequate and is only slightly higher than the 1959-61 average of 2,280 calories per day.

Insufficient agricultural credit and high interest rates remain major deterrents to agricultural development in spite of some improvements. A $10 million loan made in July 1963 by the Agency for International Development to the Instituto de Reforma Agraria for supervised agricultural credit to small farmers is rapidly being used up. There are indications that this loan has helped promote the use of fertilizers and as such has given increased income to many recipients. Under a similar loan, small and medium-sized livestock farms have received aid. Parallel measures to assist agricultural development include technical assistance and price supports. However, wheat production, although up in 1965, has generally lagged in spite of continued technical assistance and a local guaranteed price to farmers at a level 3 times the cost of imported wheat. Cotton and various other commodities fall under support prices some years.

The index of agricultural production for 1965 was an estimated 122, up more than 2 percent; however, food output reached an index of 127, up almost 6 percent (1957-59 = 100). On a per capita basis, total output declined 1 percent while food increased 2 percent.

Crop production estimates for 1965 show a 3 percent gain over 1964. Changes in individual crops range from a 30 percent increase in soybeans (from 50,000 to 65,000 tons), to a 6 percent reduction for corn (from 800,000 to 750,000 tons). The unusual increase in soybeans, a 29 percent gain in wheat (from 85,000 to 110,000 tons), and a 25 percent increase in potatoes (from 720,000 to 900,000 tons) resulted from larger areas harvested and sharp upturns in yields as a result of extremely favorable weather. Other increases were registered for rice, yuca, sugar, cocoa beans, and plantains. The 1965 corn area was probably less than a year earlier, accounting for part of the decline. Also, production was erratic in the highlands where most of the corn is grown; corn is not well suited to the weather conditions and yields are very low. Production of barley, beans, coffee, and cane for panela was also judged to be lower than in 1964.

Total livestock production continued to increase with an estimated gain of 4 percent in 1965 over a year earlier. Beef production was up 3 percent to an estimated 420,000 tons; milk was up 5 percent to 2 million tons; mutton output remained at 2,000 tons; and pork showed a 2 percent drop to 53,000 tons. Gains in beef and milk production reflected good pasture conditions, rapidly increasing demand and comparatively favorable prices, as well as the results of continuing credit and technical assistance programs. The poor showing of mutton resulted in part from the lack of production incentives; pork suffered from the lack of an effective disease control program for swine, the reduction of imports of pedigreed hogs for breeding, and the high cost of feed.

Foreign trade during 1964 showed a sharp increase over 1963, with exports valued at $548 million and imports at $586 million. Estimates for 1965, based on preliminary data, place exports at about $445 million and imports at $420 million, indicating a favorable balance of trade for the first time since 1959. Agricultural exports for 1965 were estimated at $355 million--about 80 percent of total shipments. Farm imports, which are a little over one-tenth of total imports, were forecast at $44 million.

Coffee, bananas, tobacco, sugar and cotton account for about 98 percent of agricultural exports. Coffee exports for 1965, estimated at 329,000 tons, were down both in quantity and value; exports of bananas, estimated at 180,000 tons, were up 17 percent; shipments of cotton and tobacco were believed to be near 1964's at 12,000 and 17,000 tons respectively; and sugar shipments were estimated to be up sharply to 57,000 tons.

Major agricultural imports are wheat, wool, copra, rubber, cocoa beans, vegetable oils and tallow. They account for 80 percent of the value of farm imports. Wheat is the major food import and accounts for 20 to 25 percent of the agricultural total. Wheat imports for 1965 were estimated at 200,000 tons, compared with 171,000 the previous year. Wool imports may have reached 5,000 tons which would be higher than in 1964; copra was estimated at 19,000 tons, a 16 percent increase; rubber was expected to be about the same as last year at 6,000 tons; imports of cocoa beans are estimated to be 12,000 tons--18 percent higher than during 1964; vegetable oils and tallow imports are also estimated to be up and may have reached 30,000 and 20,000 tons, respectively.

Agricultural trade for 1966 will probably remain near levels of a year earlier. (Gae A. Bennett)

Economic growth continued at high levels during 1965 with the outlook favorable for 1966. The gross national product was up nearly 6 percent in 1965 to $850 per capita.

Oil production for the period January-September 1965 was at a record high and 3 percent greater than for the same period of 1964. Production of iron ore was estimated at 20 percent above 1964 with comparable gains in exports and domestic consumption. Other industrial output also increased. Gold and foreign exchange reserves reached a near-record level of $858 million at the end of October 1965.

Venezuela's population was estimated at 8.8 million in 1965 with a growth rate of 3.7 percent. Food consumption was probably higher than the average of 2,330 calories daily per capita for 1959-61, but still below minimum nutritional standards. The wholesale price index at the end of the first half of 1965 was 124.7 (1956/57 = 100) compared to 120.5 for the entire year of 1964. However, price ceilings have been imposed on most food products.

Venezuela has recently reaffirmed her intention to join the Latin American Free Trade Association and the country's agricultural policy has continued toward the objectives of self-sufficiency in food production, development of related processing industries, and, ultimately, production of a surplus in excess of domestic consumption for export. Programs to effect these policies include credit to farmers, price supports to producers, maximum retail prices, and guaranteed export prices.

The index of agricultural output for 1965 reached 151 and food production 163, both up almost 6 percent over a year earlier (1957-59 = 100). Per capita increases were over 3 percent and 2 percent, respectively. Large gains were registered for both crop and livestock production.

Crop output gained almost 4 percent over 1964. The greatest estimated gain for crop production was a 10 percent increase for sugarcane, bringing production to 4.36 million tons. Other estimated increases were: Corn, 5 percent to 500,000 tons; rice, 2 percent to 170,000 tons; potatoes, 7 percent to 130,000 tons; coffee, 4 percent to 50,000 tons; cocoa beans, 5 percent to 21,000 tons; and tobacco, 2 percent to 8,600 tons. Production of beans, sweetpotatoes, yuca, cotton fiber, and sisal were estimated to be about the same as for 1964. Sesame output was estimated to be 45,000 tons, 4 percent below the peak production of 1964.

Output of livestock products during 1965 increased an estimated 7 percent over a year earlier. Beef production increased to 169,000 tons, 7 percent above a year ago. Pork production was about 10 percent greater, at 33,000 tons. Milk output was probably up 7 percent to 648,000 tons.

For the first 4 months of 1965, exports were 10 percent greater and imports were 23 percent greater than during the same period of 1964. Agricultural exports during 1965 were about the same as in 1964, with agricultural imports down slightly. Agricultural exports during 1964 were estimated at $27 million and imports at $140 million --about 1 percent of total exports and 14 percent of total imports.

Shipments of coffee, Venezuela's major farm export crop, were likely about the same as during 1964; sugar was up slightly; and cocoa beans were down. Venezuela became self-sufficient in rice and entered the export market for the first time during 1965 with a barter arrangement with Poland in exchange for farm machinery.

Wheat, sesame, and cotton imports were probably down from the high level of a year earlier. However, imports of these commodities and pulses, corn, and rice for seed should increase in 1966. (Gae A. Bennett)

BRAZIL

Substantial gains and readjustments occurred in the Brazilian economy during 1965. The rate of inflation was decelerated from about 80 percent in 1964 to roughly 50 percent for 1965 and to an adjusted annual trend of only 25 percent during the period July - October. Some gain in the nonagricultural sectors--in spite of lower industrial output, higher than normal unemployment, and substantial inflation--and high agricultural output combined to bring about a 7 percent increase in the overall gross national product for 1965 with per capita output probably near $260. The 1965 economic growth followed a 5 percent decline in 1964 and reversed the per capita downtrend which started in 1962. Continued economic gains are indicated for 1966, but at a lower rate than those estimated for 1965.

The 1964 balance-of-payments and trade surpluses continued into 1965 and brought gold and foreign exchange reserves to $601 million at the end of September, the highest level since 1956, substantially reducing balance-of-payments difficulties and permitting some relaxation of exchange controls. The 1965 surplus was attained on a slight drop in exports and a substantial decline in imports. As the economy accelerates, however, imports are expected to increase faster than exports. New exchange rates and regulations, announced in November 1965, resulted mainly in fewer controls, increased cruzeiro receipts for exports and little change in cruzeiro costs of imports, except for those commodities previously exempt from exchange surcharges and advance deposits.

Brazil's population of 82.2 million in 1965 has been growing at a rate of 3.1 percent per year. From July 1964 through July 1965 food prices advanced less than total living costs, while per capita food supplies and probably per capita food consumption were at record levels, above the 1959-61 level of 2,710 calories per capita per day.

The new government has made significant progress in establishing policies and institutions for further agricultural growth. The Land Statute or agrarian reform law, passed in late 1964, provides for progressive rates of taxation on unused land as an incentive toward development. The law also provides for expropriation where necessary and resettlement of rural labor on subdivided estates. The reorganization of the credit system is expected to increase availability of finances for the purchase of fertilizers, machinery, and other inputs as well to establish a fund for price supports for some crops. Substantial purchases by the Government supported market prices during harvest of record crops in 1965. Further improvement in the operation of the price support program during 1966 is expected to stimulate crop output.

The establishment of policy study committees for sugar, cocoa, coffee and some other crops is expected to lead to long-term programs for the solution of surplus capacity in these crops. However, no progress is apparent in attempts to increase per capita meat availability and many Government attempts in this area appear to be generally counter-productive in terms of long-run solutions.

Due to increased plantings and favorable weather, the agricultural production index for 1965 was estimated at 129, up an estimated 23 percent from the low 1964 output and 10 percent above the former record high--in 1963 (1957-59=100). Food output was up 10 percent to hit a record index of 108 per capita. The 1966 harvest prospects are for further increases in crop production.

Crop production for 1965 increased an average of 28 percent from the low 1964 level to hit a new record, 12 percent above 1963 output and 43 percent over the 1955-59 average. Favorable weather, recovery of the coffee crop, and record plantings of corn, rice, soybeans, sugarcane and other crops combined to produce the high output.

Improved price support programs for many crops, with prices announced at planting time and with the promise of a harvesttime adjustment to compensate for inflation in the intervening period, were major incentives to increased plantings.

Sugarcane plantings were up, based on earlier speculative analysis of world and domestic prices, and well above quota allotments under the government-controlled sugar program. Sugar output is expected to exceed quotas but some of the sugar and much of the excess cane will produce industrial alcohol.

The government corn storage program plus government purchases of corn, rice, and beans under the support program helped maintain farm prices during the record harvest and probably helped preserve output for export or domestic consumption that might otherwise have been wasted. Wet weather during corn and cotton harvests in the South, however, resulted in more than the usual loss both in quantity and quality of those crops.

Widespread winter floods caused some crop losses in winter wheat, largely through leaching out of fertilizer, and some damage to other farmland in Rio Grande do Sul as well as damage to other crops and farmland in Santa Catarina and Paraná. Over-all losses in crop output were countered by later favorable crop conditions.

Soil moisture in the Northeast, while generally well below the 1964 level, was probably above average and resulted in a favorable cotton harvest and above-normal supplies of most food crops. In the Northeast, the sugarcane harvest was restricted by low sugar prices, labor problems, and the bankruptcy of several sugar mills. Per capita food supplies in this chronically ill-fed area were probably above average although localized drought was serious in certain areas of the interior. A reduced castorbean harvest, sharply lower cocoa and sisal prices, and the reduced sugar market seriously affected the agricultural economies of the Northeast states and Bahia.

For Brazil as a whole, grain production was up sharply, 22 percent above 1964 output and 18 percent above the record 1963 level, due mainly to a 31 percent increase in corn output to 12.3 million tons and an 8 percent increase in rice production to 6.3 million tons. Output of barley, oats and rye was up but wheat production was down 18 percent.

Among the commercial crops, coffee output more than tripled to total 2.04 million tons as trees made an excellent recovery from the 1963 freeze that had sharply reduced 1964 output; 1965 production was 32 percent above the 1960-64 average but 24 percent below the recent record of 2.6 million tons for the 1959 crop. Higher-yield new plantings have more than offset production decreases resulting from the removal of low-yield old coffee plantings under the Government's diversification program.

Sugarcane output gained an estimated 8 percent to 68 million tons, cocoa beans were up 19 percent to 138,000 tons, and tobacco was up 39 percent from 1964 to 190,000 tons. More recent estimates place cocoa bean output at 159,000 tons. Increasing tobacco acreage and higher yields boosted tobacco output. Production of 3 principal fibers was up an average of 8 percent--7 percent for cotton to 491,000 tons and 11 percent each for sisal and jute to 240,000 and 50,000 tons, respectively.

Oilseed production was 13 percent above 1964 output with substantial gains in peanuts, cottonseed, and soybeans partially offset by a 35 percent drop in castorbean

output to 260,000 tons. Peanut production increased 41 percent to 662,000 tons, soybeans, 49 percent to 452,000 tons, and cottonseed, 7 percent to 982,000 tons.

Dry bean production reportedly was down 1 percent from the 1964 level to 1.93 million tons. Output of starchy roots--cassava, potatoes and sweetpotatoes--at 27.9 million tons was 3 percent above the previous year. Other vegetables and fruits probably made minor gains.

Livestock production was apparently up almost 9 percent in 1965, largely as a result of gains in beef, pork, milk and wool; mutton output declined. A record corn crop and satisfactory pasture conditions helped sustain the higher output levels. Price controls have continued to restrict cattle marketings in spite of government efforts to enforce sales at fixed prices, but beef production was estimated at 1.42 million tons, up 4 per cent from 1964. Packers claim insufficient marketing margins and producers are holding for higher farm prices. Pork production of 513,000 tons was up 11 percent. Milk output reached 6.3 million tons, up 12 percent. Wool output of 28,000 tons increased an estimated 4 percent. Mutton production dropped 2 percent to 46,000 tons.

Disastrous winter flooding, particularly in Rio Grande do Sul but also in Santa Catarina and Paraná, resulted in considerable losses of both sheep and cattle, although the overall effect on meat output for the country will be minor and the effect spread over several years.

A foreign trade surplus appeared certain in 1965 for the second succesive year. For the first 9 months, exports were down slightly from a like period of 1964, while imports were substantially below the levels of a year earlier. In 1964 exports totaled $1,430 million and imports $1,263 million, with agricultural products accounting for an estimated $1,179 or 82 percent of exports and $304 million or 24 percent of imports. Coffee, sugar, cotton and cocoa beans and products accounted for about 80 percent of agricultural exports, coffee alone for 64 percent. Over 90 percent of 1964 agricultural imports consisted of wheat, other grains, fruit and vegetables, fats and oils, and dairy products, wheat making up 69 percent. For 1965, wheat imports were substantially lower due to large carryover stocks and lower consumption as a result of sharply higher prices to consumers.

Coffee exports during the marketing year July 1965/June 1966 are expected to be about 990,000 tons, 33 percent above the 745,000 tons shipped during the preceding 12 months and near the International Coffee Agreement quota for that period. Brazil held its 1964/65 marketings to well below the final quota of 1 million tons permitted under the ICA in an attempt to support world prices in the face of a general world coffee surplus. After the ICA accepted a floor price or indicator price in early 1965, Brazil started to move larger quantities of coffee. If prices fall below the indicator price for a specified period, there will be an automatic reduction in export quotas.

Sugar exports increased from 253,000 tons in 1964 (valued at $33.1 million) to an estimated 800,000 tons in 1965 (valued at $50 million). Carryover stocks for export in 1966 may total 2.1 million tons. Brazil has been given an initial quota of 309,267 tons in the U.S. market in 1966.

Wheat imports may total only 1.9 million tons during 1965 compared with 2.6 million in 1964. The reduction is due to high beginning stocks and reduced consumption following substantial internal price increases due to removal of the former subsidy. Wheat imports are expected to pick up again to about 2.1 million tons in 1966.

Imports of fats and oils and pulses were temporarily high in 1964 due to short domestic crops and to U.S. assistance. The levels for 1965 and 1966 are expected to be below average because of increased domestic production. (Howard A. Osborn)

ECUADOR

There was marked improvement in the economy of Ecuador during the last half of 1965, following an earlier slump. The gross national product for 1965 is estimated to have increased about 5 percent over the previous year, with the per capita product at $215. Continued growth is likely in 1966.

Commercial and industrial activity continued to increase as Ecuador's healthy investment climate, coupled with incentive legislation, protective tariffs, and availability of development loan capital attracts local and foreign investors into the country's industrial sector.

Gold and foreign exchange holdings of the Central Bank at the end of October 1965 were over $45 million, off nearly 8 million from a year earlier. The drop is attributed to the slump in shipments of bananas, Ecuador's leading export, during the first part of the year.

The cost-of-living index showed a slight seasonal decline during the third quarter of 1965, reflecting a decline in food costs which offset increases in housing and clothing costs.

Ecuador's 5.0 million population in 1965 was growing at a rate of 3.0 percent annually. Food consumption was deficient but probably somewhat above the daily average of 2,100 calories per capita estimated for 1959-61.

Agriculture employs more than half the active labor force, provides about one-third of the national income, and supplies about 93 percent of the country's export earnings. Recent developments affecting the agricultural sector include: Increased activity under the land reform program initiated in July 1964; continued efforts to diversify agricultural production, with emphasis on increased output of livestock, hard fibers, and vegetable oils; the opening of a new fertilizer plant and securing of a foreign loan for another; planned production of paper from sugar bagasse; and increased tariffs.

The index of agricultural output was estimated at 129 for 1965 with a food production index of 125, both up nearly 7 percent (1957-59=100). On a per capita basis, agricultural production gained 3 percent and food 4 percent.

Estimated crop production for 1965 was about 7 percent higher than a year earlier due to better weather conditions, higher yields, and more land harvested. The production of cocoa beans showed the largest gain, a 28 percent jump bringing production to 46,000 tons. Other important gains included: Wheat, up 8 percent to 55,000 tons; barley, up from 68,000 to 78,000 tons; and corn, up 6 percent to 170,000 tons. Sugarcane production continued to increase, reaching 7.1 million tons, up 3 percent. Other gains included beans, potatoes, sweetpotatoes, castor beans and bananas.

Livestock product output increased an estimated 4 percent in 1965. Beef production at 39,000 tons was up 3 percent; pork increased 9 percent to 24,000 tons; and milk output was up 2 percent to 247,000 tons. Mutton output was unchanged at 10,000 tons.

Almost 90 percent of Ecuador's export earnings in 1964, $148 million, was derived from bananas, coffee, cocoa beans, and sugar. About 15 percent of imports of

$138 million was agricultural--mainly wheat, fats and oils, milk products, and other processed commodities, wheat accounting for about 20 percent of the agricultural total.

In the first 10 months of 1965 total exports reached $113 million compared to $111 for the same period in 1964. However, banana exports for this period amounted to only $41.1 million compared to $58.1 million during the same period of 1964. But coffee exports were up sharply to $36.0 million for January-November 1965, compared to $20.1 for the same period a year earlier, and helped to fill the export gap made by the shortfall in banana shipments. Cocoa bean exports were also up; and sugar shipments continued to increase, reaching $7.0 million for the first 11 months of 1965. Ecuador's pyrethrum industry has grown rapidly during the past couple of years, and is expected to earn about $2 million from exports in 1965 with a further increase in 1966.

The value of imports totaled $136 million for the first 11 months of 1965, about 9 percent above the same period a year earlier. Importers of hardware and luxury items rushed to build up inventories as a hedge against the increased import tariff which became effective June 20, 1965. This accounted for most of the overall increase. Imports of farm products were probably down slightly due to increased agricultural production and the increase in import duties. Wheat imports in 1965 were probably considerably below the 70,000 tons imported during 1964, resulting in part from the increase in production and tighter import controls. Imports of fats and oils and milk products were likely about the same as in 1964. Due to the poor crop of rice, it became an import item in contrast to usual exports. Few if any gains are expected in agricultural imports in the year ahead. (Gae A. Bennett)

PERU

Economic activity continued a strong uptrend during 1965. Gross national product, at constant prices, was estimated at $2.8 billion, 6 percent above the previous year for a per capita output of $240. However, a developing foreign trade deficit, rising inflation, and a prospective slackening of export trade may contribute to slower growth in 1966.

New or expanded public and private investments continued to support strong growth in 1965, particularly in minerals, petroleum, manufacturing and service industries. Current estimates indicate that agriculture and manufacturing each contribute about 20 percent of the gross national product. Increased demand for goods and services contributed to a cost-of-living rise estimated at 12 percent for the first 9 months of 1965 compared with 8 percent for the corresponding period in 1964. Gold and foreign exchange holdings declined in 1965 from a record $189 million in August to $161 million in November.

Total population, estimated at 11.7 million in 1965, is increasing at an annual rate near 2.7 percent and the shift to urban centers is continuing although over one-half remains rural. Peruvian demand for food products is rising and food consumption in 1965 probably was more than 5 percent above the 2,060 calories per capita daily estimated for 1959-61.

Agricultural policies continue to emphasize the maintenance of an adequate food supply. A long-standing program requires that a certain percentage of coastal lands be devoted to basic foodstuffs. In addition, the Government established monopoly control over marketing of the 1965 rice crop and is considering similar action to insure adequate supplies of other basic food commodities. Also, a National Food Corporation was established recently with responsibility for organizing such programs. A nationwide development and colonization plan, published in 1965, outlines a program to increase Peru's agricultural area by 1.1 million hectares by 1969 by expanding irrigation and adding new areas in the eastern lowlands.

Low rainfall restricted available irrigation water in the coastal region early in 1965 with normal growing conditions prevailing in the highland region. Agricultural production was down to 119 for 1965 compared with 120 for 1964 (1957-59=100). Food output increased from an index of 112 in 1964 to 114 in 1965. However, per capita output declined 4 percent and 1 percent, respectively.

Crop output was off less than 1 percent. The 1965 cotton crop, influenced by adverse weather and pests was estimated at 131,000 tons, down 6 percent, with later estimates as low as 125,000 tons. Sugarcane production was up slightly in 1965 with a rise in yield; sugar output of 820,000 tons was up 3 percent. Coffee production of 53,000 tons was 2 percent above a year earlier but some slowdown in the rate of expansion was indicated.

Wheat production continued near the 150,000 tons estimated for 1964. Corn area and yields continue to rise and production of 420,000 tons exceeded 1964 by more than 10 percent. A significant recovery was also indicated for barley, quinoa, potatoes, manioc and pulses, which provide the basic food supply for the rural population. However, rough rice production, estimated at 284,000 tons, was down 10 percent, reflecting to some degree the competition of cotton for irrigated areas in the northern coastal region.

Livestock output was up nearly 3 percent. Beef, pork, and mutton production recovered from drought with a rise over 4 percent. Output of milk and poultry meat continued upward, milk increasing nearly 2 percent.

Based upon trends for the first 9 months, 1965 exports may decline more than 10 percent from the record level of $666 million for 1964. For the same period, imports were estimated at 20 percent above the 1964 value of $580 million. On a volume basis, cotton and sugar exports will be up slightly with a small decline in coffee. Imports of wheat, rice, meat and dairy products were up substantially during 1965 with smaller gains for fruits, vegetables, fats and oils. With these trends, it is estimated that agricultural products accounted, in value, for about 30 percent of exports and 18 percent of imports.

Current estimates indicate that a prospective decline in the 1966 fish catch may reduce the available supplies of fish meal which currently provide about 25 percent of total export earnings. Also, current reports indicate that the 1966 cotton area may decline slightly in face of lower world prices and increased competition from rice and other food crops. However, coffee and sugar exports are expected to continue near 1965 levels with a limited outlook for expansion in agricultural exports in 1966.

The prospective limitation upon cottonseed and fish oil output may expand demand for imported fats and oils in 1966. Other agricultural imports, including wheat and dairy products, should continue at relatively high levels despite some anticipated pressure upon available foreign exchange resources. (Howard L. Hall)

BOLIVIA

A strengthening of world tin prices plus some gain in output in major economic sectors combined to provide for further growth in Bolivia's gross national product in 1965. Output was estimated to total $524 million, 5 percent above the 1964 level, and about $125 per capita. The outlook for 1966 is for continued growth at or near this rate.

The free exchange rate continued steady during 1965 at 12 pesos per dollar while the cost of living showed further modest decreases to about the level preceding the November 1964 drop. Population was estimated at 4.2 million in 1965, continuing

a 2.3 percent annual growth rate. Average food consumption in 1965 was inadequate but probably somewhat above the average of 2,010 calories per capita per day estimated for 1959-61.

By the end of October 1965 the central bank's gold and foreign exchange reserves had reached nearly $34 million, about $10 million above a year earlier level and a record high. The trade surplus achieved in 1964 was the first in over a decade.

During 1965 Bolivia decided to join the Latin American Free Trade Area but has not yet worked out details. A new tariff schedule was announced in September that should facilitate membership.

Agriculture, which accounts for about 70 percent of the gross national product, has continued a growth rate slightly above population growth but lower than the growth of the economy as a whole. Surplus production of sugar and rice in 1964 led to some cutback in 1965. Increasing output comes largely from an increase in area cultivated, mostly from new settlements in the humid tropics. Lack of markets probably keeps output from increasing faster.

The indices of 1965 agricultural output and food production, both estimated at 120, were up nearly 2 and almost 3 percent, respectively, from the previous year (1957-59=100). This resulted in a 1 percent per capita gain in food production and no change in per capita agricultural output.

The crop production index for 1965 was up almost 2 percent from the previous year. Corn production at 318,000 tons was up an estimated 9 percent; yuca at 112,000 tons was up almost 4 percent. Potato output was unchanged at 660,000 tons and wheat, barley, beans and coffee output also were estimated to be unchanged. Sugarcane production was off 5 percent to 1.57 million tons and rice was down 2 percent to 47,000 tons. The rebuilding of an old oil extraction plant in 1965 to permit processing of cottonseed and soybeans should stimulate production of these crops in the future to meet food needs.

Exports totaled $112.1 million (gross) in 1964, up 38 percent from the 1963 level, while imports at $96.6 million were down 1 percent. Agricultural commodities supplied less than 5 percent of exports and less than a fourth of imports. For the first quarter of 1965, exports were up $6.1 million from the same period of 1964. Imports were not reported.

Brazil nuts, coffee and rubber comprise over three-fourths of Bolivia's agricultural exports. Exports of citrus fruits and bananas to Argentina continued in 1965, in addition to a small shipment of pineapples. The completion of the Santa Cruz-Yacuiba rail route to Argentina during 1965 is expected to facilitate these and other exports to Argentina. Cattle and meat exports to Peru were stopped in late 1965 to protect domestic market supplies but exports are expected to resume at the end of the dry season. Llama wool continues to be the most promising new agricultural export. Bolivia completed facilities to permit the export of llama wool tops in 1965 and exports of all llama wool may reach $0.5 million for 1965. Bolivia has been given its first sugar quota of 3,681 tons in the U.S. market for 1966.

Wheat and wheat flour account for about 40 percent of agricultural imports. Dairy products, edible fats and oils, cotton, tobacco, and wool account for most of the remainder. Wheat and flour imports totaled about 140,000 tons in 1964 and are expected to remain at least this high in 1965 and 1966. Small imports of rice were necessary in 1965 but increased rice production is likely for 1966. Imports of fats and oils may decline somewhat as domestic production gets underway but growing domestic demand will require larger supplies. (Howard A. Osborn)

Little real economic gain was achieved in 1965 and the outlook for the year ahead is uncertain. Gross national products in 1964 probably increased over 2 percent to about $4.7 billion at the brokers' exchange rate, for a per capita value of $555, representing a small decline.

Expected growth under the new administration was prevented by strikes in the mining industry and by natural disasters. The March earthquake and the July-August storms destroyed buildings, communications, irrigation works and crops. The fish meal industry fell into a severe depression from the short supply of anchoveta, eliminating hope for a major contribution to exports and national development. On the positive side, the Government reduced inflation, renegotiated the short-term foreign debt, improved the balance-of-payments position, and instituted a massive construction program in addition to disaster recovery efforts. Legislative approval of 2 major programs, joint public-private expansion of the copper industry and extension of the agrarian reform plan, will provide a strong base for future economic development.

The foreign trade surplus at the end of 9 months amounted to $59 million, having declined from the 6-month figure of $104 million. Gold and foreign exchange reserves during the first 9 months improved by $27 million over the end of 1964. The foreign exchange rate continued to decline, falling between January and October from 3.842 to 3.398 escudos per dollar in the bankers' market and from 3.379 to 4.080 escudos per dollar in the brokers' market. Control of prices, credit, foreign exchange and foreign trade continued throughout the year.

The cost-of-living index during 1965 increased only 25 percent compared with 38 percent in 1964 and 45 percent in 1963. However, the wholesale price index rose 28 percent in 7 months, while the consumer price index rose only 17 percent. Population was estimated in 1965 at 8.5 million, increasing by 2.3 percent per year, and food consumption may have declined somewhat from the 1959-61 level of 2,610 calories per capita per day.

Agricultural policy under the new administration places greatest emphasis upon agrarian reform and related programs. The Government is seeking legal authority to expropriate abandoned or under-utilized land under a fixed scale of indemnities without recourse to the courts. In the meantime, the Agrarian Reform Corporation has resettled 2,250 families on 328,000 hectares in its first 6 months under the new regime by employing state land. The 5-year goal is resettlement of 100,000 families. The land reserves at present in Government hands total 452,000 hectares. The irrigation program calls for the opening of 350,000 hectares and the improvement of 570,000 hectares by 1970. The livestock program is employing a loan of $19 million from the International Bank for Reconstruction and Development to supply breeding stock which is aimed at making Chile self-sufficient in meat by about 1971. A pilot wheat plan in 2 south central provinces is designed to expand production of the most important national crop. An IBRD loan of $5 million is the basis for the construction of 3 new milk plants. Features of former policy continued by the new regime are price controls, support prices for selected commodities, seed and fertilizer subsidies, rail freight discounts, and fixed retail marketing margins.

The 1965 index of agricultural production was estimated at 106, off 7 percent or 9 percent per capita, and the food output index was 104, off 8 percent or 10 percent per capita (1957-59=100). The effects of the 1964 drought fell upon livestock production more heavily than upon crops. Most crops were saved by supplemental irrigation in the north central zone where the drought occurred, but pastures suffered considerable damage.

Crop production in 1965 declined nearly 5 percent. The output of lentils from approximately the same seeded area as the previous year was cut from 21,000 to 17,000 tons, and potato production at 674,000 tons was down 13 percent. Oats declined 10 percent; beans, 14 percent; wheat, 6 percent; and rice, 5 percent; and onions and table grapes, 4 percent. Production increased, however, for sugar beets, rapeseed, sunflower seed, and deciduous fruits.

Heavy rains and high winds during July and August 1965 flooded fields and inflicted damage on winter crops, but seeded area for most 1966 crops will be at or above the 1964 and 1965 levels. Significant increases are indicated for sugar beets, sunflower seed, rice and barley. The only decline in plantings may be for garlic.

Livestock production was off about 10 percent. Beef output at 110,000 metric tons was down 16 percent from 1964. Milk production at 998,000 tons was down 12 percent. Pork and mutton were unchanged while wool output was up 4 percent.

A shortage of beef developed in the metropolitan areas of Santiago and Valparaiso in the latter half of 1965. Early in July the Government prohibited the sale and movement of beef and veal on Sundays, Mondays and Tuesdays in an effort to conserve the foreign exchange normally expended for Argentine cattle and to stimulate consumption of fish, poultry, pork and mutton. At about the same time the Argentine Government restricted exportation of cattle to Chile in order to control contraband shipments avoiding payment of export duties. By the time the Chilean state trading agency had arranged for resumption of cattle shipments, winter storms closed communications across the border and delayed importation from Argentina. In mid-August the Government suspended all cattle slaughter in Santiago and Valparaiso provinces for 15 days and afterward limited sale of beef and veal to Fridays and Saturdays. Air shipment of beef from Mendoza in Argentina was instituted in late August to maintain minimum supplies.

Agricultural exports accounted for 4.5 percent of total exports in 1964 compared with 5 percent in 1963. The effect of the drought on 1965 agricultural exports was limited chiefly to lentils, down about 50 percent, and barley, down about 25 percent. Exports of onions and fruits increased over 1964 levels. Other leading exports, wool, beans, garlic, hides, and wine, were approximately equal to 1964 volumes.

The principal agricultural imports include cattle, cotton, sugar, wheat, wool of grades and types not produced domestically, edible oils and tropical products such as coffee, tea, yerba mate, bananas and rubber. Higher imports in 1965 due to the drought resulted in the following estimated levels for food commodities: 417,500 tons of wheat, 25,000 tons of rice, 169,000 tons of sugar, 15,500 tons of edible oils, 10,000 tons of beef and 10,000 tons of lard. Imports of corn increased significantly in 1965. Imports of beef were raised to offset partially the drop in cattle purchases from Argentina. Imports of most other farm products, including tobacco, remained at about the level of recent years. Agricultural imports represented 22 percent of total imports in 1964 and 25 percent in 1963. (John Newton Smith)

PARAGUAY

Steady economic progress continued in 1965, reaching an estimated growth rate of over 5 percent in gross national product. Per capita income in 1965 was about $205 for a population of approximately 1.9 million increasing at a rate of 2.2 percent annually. Similar increases are expected during 1966.

Economic activity in 1965 featured record production in the meat packing industry, capacity operations in the textile industry, and a sharp recovery in the lumber industry. Retail sales continued strong, power consumption rose 4 percent and construction was active despite delays caused by heavy rains in the first quarter.

Employment was high, while cost-of-living and price levels remained stable throughout the year. Per capita food consumption was likely somewhat above the inadequate level of 2,400 calories per day for 1959-61.

Tax collections under the newly established system increased during the first half of 1965 and were 31 percent above the same period of 1964. Government expenditures were up 40 percent in the first half of 1965 over those of the previous year, but part of these were payments of deferred bills. Gold and foreign exchange reserves showed a further gain during the year. The bank buying rate for foreign exchange was maintained at 123.60 guaranies per dollar throughout the year, while the curb rate rose from 140 in January to 157 in July but declined to 142 in October.

Agriculture accounts for about 40 percent of gross national product, about 55 percent of the labor force and 50 to 70 percent of total exports. Agricultural policy emphasizes the formation of farm colonies from selected immigrants, the dissemination of improved production methods, and the development of marketing facilities. Allied programs involve the expansion and improvement of industries processing farm products and the construction of a highway network, including farm-to-market roads.

The index of agricultural production in 1965 increased almost 6 percent to 114 but was only 97 per capita (1957-59=100). The food production index reached 110, up nearly 3 percent from 1964 but unchanged on a per capita basis.

Crop production gained over 6 percent. Output of wheat, cotton, and cottonseed, corn, coconuts, rice, peanuts, and tobacco was higher than the previous year, while sugarcane and yuca were about the same. Some decline was registered for sweetpotatoes and beans. Tung nuts, struck by frost, fell below 1964. Sugar had a potential output of 55,000 tons of refined sugar, compared to the 1964 record of 48,000 tons, but a carryover of 10,000 tons limited the amount of cane crushed in 1965; production probably amounted to only 34,000 tons, about equal to consumption. Soybeans, a new and popular crop, totaled about 20,000 tons in 1965, while production of castorbeans continued to decline. Shifting of land from tobacco may push the area planted to cotton for 1966 production to 80,000 hectares. Entry of new trees into production is expected to restore tung nut production in 1966 and may permit a record output.

The production of livestock products was up almost 3 percent. Cattle slaughter for export reached an all-time high in 1965 when the quota was raised to 220,000 head, 22 percent above 1964. An additional quota of 12,000 head was limited to frozen or chilled exports. Total beef production amounted to 120,000 tons, up from 1963 and 1964 but below the level of 1958. Increased use of truck transport instead of cattle driving has improved the condition of slaughter animals at packing plants. With cattle numbers well above 5 million head and improving production practices, beef production should increase again in 1966. Milk production in 1965 remained about the level of 1964.

The value of total exports for the first 8 months of 1965 amounted to $36.7 million compared with $32.6 million for the same period of 1964. Comparable import values were $27.9 million and $21.4 million. The agricultural share of foreign trade was about 70 percent of total exports in both 1964 and 1965, but was only 20 percent of total imports in 1964 and 15 percent in 1965. Argentina, traditionally the leading market, regained the top position which had been lost to the United States in 1963 and 1964. The United States and West Germany, however, led Argentina as a supplier.

Exports of beef and other livestock products, chiefly cattle hides, represented 46 percent of all agricultural exports in 1964 and more than half in 1965. The value of meat exports increased from $15 million in 1964 to $20 million in 1965. Other important exports were cotton, tobacco, coffee, and tung oil.

Wheat and flour constituted 70 percent of total agricultural imports for 1964 and slightly more in 1965. Imports of other items, like dairy products, fruit, and slaughter stock, declined sharply in 1965.

Although exports of meat and imports of wheat are expected to increase in 1966, no significant change in the foreign trade pattern is likely. The greatest problem at present is to find a market for the exportable surplus of sugar. (John Newton Smith)

ARGENTINA

A high level of economic activity characterized the economy in 1965, continuing the upswing which began the previous year. The growth of gross domestic product for 1965 was estimated at almost 8 percent with an increase per capita of nearly 6 percent to $550 in real terms. The uptrend is expected to continue for 1966, perhaps at a lower rate.

Economic growth in 1965 was led by electric power, natural gas and construction outputs in contrast to 1964 when it was sparked by agricultural prosperity and industrial expansion in the automotive, steel and textile industries. However, agriculture accounts for about 16 percent of gross domestic product, 28 percent of the labor force, and 95 percent of total exports. Ample credit and expanding sales characterized 1965, but manufacturing costs rose rapidly because of exchange modifications, import restrictions and wage increases. The government budget deficit was reduced substantially.

The cost-of-living index increased 26.5 percent during the first 10 months of the year, compared with 22 percent for 12 months in 1964, reaching a level of 307 (1960=100). The wholesale price index rose about 18 percent in 6 months, compared with 26 percent for 12 months of the previous year. Government price controls established in 1964 on basic food items, including beef, bread, milk, butter and cheese, continued in effect, but enforcement appears to have been relaxed considerably for most of them. Food consumption in 1965 is believed to have maintained the level calculated at 3,220 calories per capita per day for the 1959-61 period, then the highest in the Western Hemisphere. Population, estimated at 21.7 million in 1965 is growing at an annual rate of 1.7 percent.

The peso was devalued 3 times in 1965, making the fifth time such action had been taken by the Central Bank since exchange controls were reinstituted in April 1964. From around 150 pesos per dollar at the end of 1965, the buying rate declined to 171 pesos in May, to 178 pesos in September and to 188 pesos in December. As an indication that the official exchange was approaching a more realistic level, the exchange rate in the "parallel" or unofficial market reportedly dropped from 293 pesos per dollar at mid-year to 225 in December; however, subsequently the rate has increased again.

The foreign trade surplus for the first 9 months of 1965 amounted to $222 million, compared to $309 million for the same period in 1964 and to $384 million for 1963. Exports totaled $1,128 million and imports $906 million for the 3 quarters. Wheat shipments by early November exceeded 5 million tons, attaining the highest volume since 1929, and were estimated at a record 6.7 million tons for the year. Major sales involved 2.6 million tons to Mainland China, 2.1 million tons to the Soviet Union and 1.1 million tons to Brazil. Wool exports recovered from the low level of 1964, but beef exports declined further. The European Common Market, the United Kingdom and the United States continued to be the principal customers and suppliers for foreign trade. Important trade policy developments included adoption of the Brussels Tariff Nomenclature, passage of a new tariff law, and continuation of plans for full accession to GATT.

The National Development Plan adopted in 1965 sets forth production goals for 1969 requiring increases over 1960-64 of 56 percent for grains, 20 percent for oilseeds and 19 percent for livestock. Changes in crop areas call for a reduction of 9 percent in natural pastures, increases of 48 percent in seeded pastures and 32 percent in grains, and no change in oilseeds. Dairy and fruit production are to be promoted heavily, but cotton, sugar, potatoes, and grapes only sufficiently to meet domestic consumption. Total planned investment for agricultura is placed at 228 billion pesos, mostly from private sources. The Bank of the Nation made loans for seeding about 670,000 hectares of improved pasture in 1964/65 and expects to supply credit for 800,000 hectares in 1965/66. Loans for grain storage construction in 1965 provided for a total capacity of about 490,000 tons. A second Inter-American Development Bank loan of $15 million is financing purchases of farm machinery and other improvements.

The index of net agricultural production declined for the second straight year to 105, following the record level of 115 in 1963 (1957-59=100). The food production index fell 7 percent in 1965 to 105. Both per capita indices were 93. A 36 percent drop in wheat production was the principal factor in these declines.

Crop production in 1965 declined almost 9 percent from the postwar high achieved in 1964. Lower outputs of wheat, corn, other feedgrains, flaxseed, tung nuts, sugarcane, citrus fruits, and grapes were not balanced by the increases in rice, potatoes, edible oilseeds, cotton, tobacco and deciduous fruits. Wheat production fell off from 10.1 million tons in 1964, the highest volume since 1938 and the second highest on record, to only 6.5 million tons. Grain sorghums dropped from 1.3 million to 857,000 tons, and other feedgrains were down by 1.2 million tons. Rice, on the other hand, turned out a record crop of 268,000 tons, rough basis.

Flaxseed production in 1965 declined from 815,000 to 760,000 tons and tung nuts, because of frost damage, from 108,000 to 42,000 tons. Sunflower seed output, however, increased from 460,000 to 757,000 tons and peanuts from 333,000 to 439,000 tons. The output of potatoes rose from 1.5 million to 2.5 million tons, an all-time record, but sweetpotatoes held the same level as 1964. Sugarcane cut for crushing fell slightly to 11.6 million tons, but centrifugal sugar output rose to 1.1 million tons due to an improvement in yield from 7.8 percent to 9 percent. Record crops of deciduous fruits were harvested with apples at 486,000 tons and peaches at 238,000 tons. Production of pears and plums was up slightly to 106,000 and 44,000 tons, respectively. Citrus fruits declined from 1964, oranges falling from 528,000 to 458,000 tons and tangerines from 187,000 to 157,000 tons.

Cotton production in 1965 was the highest since 1958 with 136,000 tons of fiber and 289,000 tons of cottonseed. Tobacco output was up to 54,000 tons, a record crop.

Favorable weather and increased plantings indicate higher production of corn and grain sorghums in 1966, and outputs of sunflower seed and peanuts are likely to continue high. Lower crops of cotton, rice, and sugarcane are anticipated because of existing surpluses and depressed export prospects.

Livestock production in 1965 was at the same level of 1964 but 13 percent below the high 1963 output. Beef production increased about 1 percent, pork, 6 percent, and mutton, 14 percent. The wool clip, including pulled wool, was down 5 percent and milk output, 4 percent. Total cattle slaughter for 1965 was estimated at 9.3 million head, compared with 9.5 million for 1964, but higher average weights increased beef output to 2.1 million tons. Slaughter of sheep and lambs was estimated at 8.5 million head in 1965 as against 7.4 million the year before, and mutton production increased from 131,000 to 150,000 tons. Hog slaughter in 1965 was estimated at 2.3 million head, compared with 2.1 million in 1964 and less than 2 million in 1963. Pork production was up from 179,000 to 190,000 tons.

Wool production in 1965, including shorn and pulled wool but excluding wool exported on sheepskins, was 180,000 tons compared with 190,000 tons in 1964. The proportion by grades in 1964 was 22 percent fine, 41 percent fine crossbred, 6 percent medium crossbred and 31 percent coarse crossbred. The average weight per fleece was reduced by drought in 1965.

Fluid milk production in 1965 fell from 4.82 million tons to 4.63 million tons; butter and cheese delcined similarly. Output of lard and tallow increased slightly. Production of poultry meat rose about 20 percent in 1965, partly because of the development of broiler enterprises and partly because of demand on beefless days.

Official figures for livestock numbers on farms have not been released for 1964 or 1965. Unofficial estimates for mid-1965 are 44 million head of cattle, 48 million sheep and 4 million hogs. Current numbers reflect a 2-year buildup from the low levels of 1963 due to the severe 1962/63 drought.

Cattle prices rose to record levels in July 1965 as producers were able to retain animals on abnormally lush pastures and marketings fell to unseasonal lows.

Foreign trade in 1965 apparently equaled the levels of 1964 with about $1.5 billion in exports and $1.1 billion in imports. Wheat, beef, and wool were again the leading export items in a list where agricultural products account for about 95 percent of total value. Agricultural imports, as usual, consisted mainly of tropical products, and accounted for about 5 percent of total import value.

Exports of grains in 1965 exceeded 10 million tons, compared with 9 million in 1964 and 5 million in 1963. Wheat exports totaled 6.7 million tons compared with 3.7 million in 1964; corn, 2.8 million compared with 3.3 million; and other grains, 1 million compared with 2 million. Linseed oil exports in 1965 increased to about 240,000 tons from the 1964 level of 205,000 tons, but tung oil shipments fell from 18,700 to about 12,000 tons. Exports of edible oils, profiting from devaluation of the peso, jumped from the very low level of 10,600 tons in 1964 when oil was withheld to almost 100,000 tons in 1965, mostly sunflower oil. Shipments of oilseed cake and meals were up about 7 percent. Exports of apples rebounded from the low level of 134,500 tons in 1964 to approximately 250,000 tons, and pear exports increased slightly to about 45,000 tons.

Exports of beef were down about 25 percent in volume for the first 9 months of 1965, but higher prices helped to maintain export value. Exports increased substantially in the last quarter of 1965, but a drop in European prices left annual value about the same as 1964. The volume of beef exports, chilled, frozen, and salted, in terms of carcass weight, is estimated to have declined from 580,000 tons in 1964 to about 500,000 tons in 1965. Wool exports for the 1964/65 marketing year totaled 119,300 tons compared with 94,000 tons for the previous season.

High production costs in relation to export prices discouraged shipments of cotton, rice, and sugar in 1964 and 1965. Sugar exports have been limited to the volume of the U.S. quota. Tobacco exports for 1965, however, increased to about 12,000 tons from 10,800 tons in 1964. (John Newton Smith)

URUGUAY

The anticipated economic gains in 1965, based upon an expected improvement on the slight upturn of a year earlier, failed to materialize and the outlook is for continued problems in 1966. Gross national product is estimated to have increased only slightly in 1965; sufficiently, however, to permit per capita output to remain at about $490.

Economic progress during 1965 was hampered by continuing inflation, import restrictions, banking difficulties, budget deficits and low investment and a severe drought. The critical financial situation of the nation by midyear forced the 9-man National Council, which constitutes the executive power in the country, to renegotiate payment arrangements for $80 million of short-term foreign debt.

The official rate for foreign exchange by the Bank of the Republic, which applied to exports and imports, was devalued on March 18 from 18.20-18.70 pesos to 23.00-24.00 pesos per dollar. The rate in the private exchange parallel market fell from 24-25 to 33-34 pesos per dollar in March and continued to decline to a low of 59-60 at the end of June. The new system of combining all markets was established October 18 and the new exchange rate which hovered at 60 to 65 pesos per dollar was an immediate encouragement to exports of beef and wool.

The cost-of-living index for middle-class families increased 41 percent during the first 9 months of 1965, compared with annual increases of 38.5 percent in 1964 and 33.5 percent in 1963. Food consumption, however, is believed to have maintained the level of the 1959-61 period, calculated at 3,030 calories per capita per day, the second highest rate in Latin America.

Exports for the first 9 months of 1965 totaled $132.5 million and imports $125.4 million, providing a trade surplus of $7.1 million compared to $24.2 million for the same period of 1964. The Bank of the Republic stopped accepting import registration twice during the first half of 1965, and the National Council instituted a limitation on imports for the 4 months from June 16 to October 16, which was subsequently extended. Previously registered imports continued to enter the country, accounting for the high volume.

The Agricultural Development Commission has been authorized to spend funds obtained from export taxes for seed and fertilizer subsidies, control of livestock diseases, breed improvement, soil conservation, forestation, research and extension. The Livestock Improvement Commission, created in 1957, continued its economic and technical assistance to producers through loans to cooperatives. The Bank of the Republic established a crop-loan program, similar to the 1964 wheat program, which would cover production costs for corn, brewers' barley, grain sorghums, flaxseed, sunflower seed, peanuts and soybeans. Wheat program loans were credited mainly for the expansion of 1964 wheat area by 49 percent over 1963.

The index of agricultural production declined 7 percent in 1965 to 114, crops falling 10 percent and livestock 5 percent, for a per capita decline of 6 percent (1957-59=100). Food production declined 7 percent, for a per capita index of 109.

A severe drought in early 1965, which followed several months of subnormal rainfall, drastically reduced yields of late crops, ruined pasture, and discouraged seeding of winter crops. Declines were estimated in production of 45 percent for wheat, 25 percent for barley, 31 percent for corn, and 38 percent for sunflower seed. Oat output, however, may be up 6 percent because of greatly increased seeded area. Increases were also estimated for rice, sugarcane, sugar beets, potatoes, sweetpotatoes, and flaxseed. Favorable weather and the crop-loan program are expected to result in substantial increases in the area devoted to late crops. The break in the drought should result in near-normal output in 1966.

Cattle slaughter in the first half of 1965 totaled 990,000 head, 13 percent above the number slaughtered in the first half of 1964 which was a year of record beef production. The increase was caused by the severe drought of the first quarter of 1965 which sent many animals to market at light weights and resulted in abnormal death losses. The increase in beef production for the first half of 1965 was only 4 percent above the previous year. Sheep slaughter during the first 6 months of 1965

approached 1.5 million head, 18 percent above the comparable period of 1964, and production of mutton and lamb was up 17 percent. Hog slaughter, however, declined about 7 percent and pork production 8 percent during the first half of 1965 compared to 1964. Meat production for 1965 is estimated at 410,000 tons, consisting of 336,000 tons of beef, 50,000 tons of mutton and 24,000 tons of pork. Wool production in 1965 is set at 82,000 tons, greasy basis, 5 percent below the previous year; later estimates indicate an output of 84,000 tons. The need for rebuilding herds will probably result in lower meat output in 1966.

Wool regained first place among exports in 1965, attaining a value of $49.8 million for the first half of the year, 54 percent of total export value. Meat exports during the first 6 months of 1965 had a value of $30.8 million, about one-third of total export value. Exports of hides and skins for the half-year were valued at $6.7 million. Agricultural imports for the first 6 months of 1965 totaled about $8.5 million, consisting mainly of cotton, tobacco, yerba mate, sugar, coffee and tea. The United Kingdom, the United States and West Europe were the principal markets, while these countries plus Argentina and Brazil were the principal suppliers. Except for import requirements of feedgrains and edible oil as a result of the 1965 drought, no significant change in the foreign trade pattern is expected in 1966. (John Newton Smith)

SOUTH AMERICAN DEPENDENCIES

The underdeveloped economies of the British Guiana, Surinam, and French Guiana dependencies are closely integrated with the United Kingdom and Commonwealth nations, the Netherlands, and France. Consequently, trade is mostly with the mother countries, particularly French Guiana's. But about one-third of the total export trade and one-fifth of the total import trade of the area is with the United States, and around one-fifth of both the agricultural export and import trade is with the United States. The area's population was estimated at near 1.1 million in 1965 with a growth rate of 3.3 percent annually.

British Guiana's economy registered a sharp improvement in 1965 which should continue into 1966. Per capita output was probably near $280, agriculture providing about one-third. Widespread violence, communal strife and economic stagnation of recent years ended; relative calm, confidence, and economic progress began. The upturn was credited to the new coalition government (self-government is scheduled for May of 1966), increased employment, greater investment, and higher levels of agricultural production and trade. Also, a comprehensive development plan is being prepared which includes programs to step up land settlement, drainage, and irrigation, and to increase crop and livestock productivity. Population was estimated at 662,000 in 1965 with a growth rate of 3 percent annually.

Exports in 1964 totaled $95 million and imports $87 million; both were likely up in 1965, with further gains expected this year. Gains probably reflect increases in agricultural trade which represents about 60 percent of exports--around two-thirds sugar and one-fourth rice--and almost 18 percent of imports--over half made up of dairy products, wheat flour, and fruits and vegetables.

Surinam's economy showed little change during 1965. The lack of adequate investment seems to be one of the major deterrents. While bauxite is the mainstay of the economy, agriculture is important and provides around one-sixth of the gross national product of around $350 per capita and employment for more than half the labor force. Population was estimated at 377,000 with an annual growth rate of 3.8 percent in 1965.

Total agricultural production during 1965 was probably up sharply over 1964, as a result of better weather conditions. Droughts which lasted from August 1963 to mid-May 1964 had lowered production and 1965 was a normal production year. Rice is the principal crop; other commercial crops include sugarcane, bananas, cocoa, citrus fruit, and natural rubber.

Trade balance problems persist with exports of $55 million and imports of $72 million in 1964, of which agricultural commodities represent around 10 and 15 percent, respectively. Rice accounts for about 60 percent of agricultural exports followed by rubber, coffee, citrus fruit, and cocoa beans; wheat flour, fruits and vegetables, and meat and meat products make up about 40 percent of imports.

French Guiana apparently registered little real economic progress in 1965. The gross national product reportedly exceeds $300 per capita, largely as a result of heavy expenditures of the French Government. The 1965 population was estimated at 37,000, increasing at 2.8 percent per year.

Agriculture employs about one-fourth of the labor force and accounts for around one-tenth of the gross national product. Production is almost entirely for local use and main crops are cassava, sugarcane, bananas, corn, rice, vegetables, and sweet-potatoes. The livestock industry is little developed.

Exports totaled less than $1 million in 1964 compared to imports of over $16 million; agricultural exports are insignificant but a wide variety of food imports represent almost 30 percent of total imports. (Gae A. Bennett)

APPENDIX

TABLES

Table 1.--Western Hemisphere: Indices of total and per capita agricultural production, average 1955-59 and 1960-62 and annual 1963-65

(1957 - 59 = 100)

Country	Total					Per capita				
	Average 1955-59 1/	Average 1960-62 1/	1963 1/	1964 1/	1965 2/	Average 1955-59 1/	Average 1960-62 1/	1963 1/	1964 1/	1965 2/
Canada	102	108	128	119	130	105	101	115	106	113
United States	99	107	112	112	116	103	102	104	101	104
Mexico	95	113	125	136	138	98	103	108	113	111
Cuba	96	94	70	78	87	98	88	63	68	74
Haiti	101	98	88	87	91	103	92	79	76	78
Dominican Republic	96	109	109	111	110	100	98	92	90	87
Jamaica	99	116	120	126	129	100	110	108	111	110
Trinidad and Tobago	100	109	111	112	117	103	100	96	94	95
Caribbean	96	99	83	89	95	99	92	74	77	80
Guatemala	95	122	144	144	155	98	112	124	120	125
Honduras	96	110	119	135	157	99	100	103	112	127
El Salvador	97	118	141	143	144	100	108	121	117	115
Nicaragua	100	116	134	152	144	103	106	117	128	117
Costa Rica	91	118	121	114	123	95	104	98	88	92
Panama	95	100	106	118	124	97	91	91	99	101
Central America	96	117	132	138	143	99	106	113	114	114
Colombia	95	112	114	119	122	97	103	99	101	100
Venezuela	96	119	134	143	151	100	106	112	114	117
Brazil	95	111	117	105	129	97	101	101	88	103
Ecuador	97	123	129	121	129	100	113	111	102	105
Peru	97	116	116	120	119	99	108	102	103	99
Bolivia	94	105	119	118	120	96	98	106	103	103
Chile	97	103	109	114	106	99	96	97	99	90
Paraguay	96	102	108	108	114	98	95	96	95	97
Argentina	99	97	115	111	105	100	92	106	100	93
Uruguay	104	109	115	122	114	105	105	107	113	105
South America	96	109	117	111	122	99	100	102	94	101
Latin America 3/	96	109	116	114	123	99	100	101	97	101

1/ Revised. 2/ Preliminary. 3/ Production for 22 countries shown.

Sources: Indices of Agricultural Production for the 20 Latin American Countries, ERS-Foreign 44 (Revised 1966), January 1966; Economic Research Service, USDA; and Canadian Department of Agriculture.

Table 2.--Latin America: Indices of total and per capita food production, average 1955-59 and 1960-62, and annual 1963-65

(1957 - 59 = 100)

Country	Total					Per capita				
	Average 1955-59 1/	Average 1960-62 1/	1963 1/	1964 1/	1965 2/	Average 1955-59 1/	Average 1960-62 1/	1963 1/	1964 1/	1965 2/
Mexico	94	114	128	139	142	97	104	110	116	115
Cuba	95	93	71	80	90	97	88	64	70	77
Haiti	101	104	93	87	90	104	97	84	76	78
Dominican Republic	96	109	106	110	107	99	98	89	89	84
Jamaica	99	118	121	128	131	100	112	109	112	112
Trinidad and Tobago	100	110	110	111	116	103	101	95	93	94
Caribbean	96	99	83	90	97	98	92	74	78	82
Guatemala	97	115	130	136	131	100	105	112	113	106
Honduras	96	111	117	128	153	99	101	101	107	123
El Salvador	100	109	120	121	129	102	100	103	99	103
Nicaragua	100	109	117	119	115	103	100	102	100	93
Costa Rica	95	111	117	126	128	100	98	94	98	96
Panama	96	99	104	117	124	99	91	90	98	101
Central America	98	110	118	125	128	101	100	101	103	102
Colombia	97	111	117	120	127	100	102	102	102	104
Venezuela	97	123	140	154	163	100	109	117	123	126
Brazil	96	114	123	122	134	99	104	106	102	108
Ecuador	98	121	129	117	125	101	111	111	98	102
Peru	97	113	109	112	114	100	105	96	96	95
Bolivia	94	105	118	117	120	96	98	105	102	103
Chile	97	102	109	113	104	99	95	97	98	88
Paraguay	95	101	102	107	110	97	95	91	94	94
Argentina	100	97	117	113	105	101	92	107	102	93
Uruguay	106	110	118	128	119	107	106	110	119	109
South America	97	110	120	120	125	100	101	104	102	103
Latin America 3/	97	109	118	120	125	100	101	104	102	103

1/ Revised. 2/ Preliminary. 3/ Production for 22 countries shown.

Source: Indices of Agricultural Production for the 20 Latin American Countries, ERS-Foreign 44 (Revised 1966), January 1966.

Table 3.--Latin America: Indices of total and per capita crop production, average 1955-59 and 1960-62, and annual 1963-65

(1957 - 59 = 100)

Country	Total					Per capita				
	Average 1955-59 1/	Average 1960-62 1/	1963 1/	1964 1/	1965 2/	Average 1955-59 1/	Average 1960-62 1/	1963 1/	1964 1/	1965 2/
Mexico	96	114	124	137	139	99	104	107	114	112
Cuba	95	97	66	74	90	96	91	59	65	77
Haiti	101	96	88	93	97	103	90	79	82	84
Dominican Republic	96	109	108	110	110	100	98	91	89	87
Jamaica	98	118	121	129	130	100	112	109	113	111
Trinidad and Tobago	101	113	115	115	119	104	104	99	97	97
Caribbean	96	101	82	88	99	98	94	73	76	83
Guatemala	95	125	149	149	161	98	114	128	124	130
Honduras	96	109	119	136	158	99	100	103	113	127
El Salvador	97	121	149	150	152	99	111	127	123	122
Nicaragua	103	130	167	209	191	106	118	145	176	155
Costa Rica	88	124	129	114	125	91	110	104	88	93
Panama	95	97	101	115	124	97	89	87	97	101
Central America	95	120	140	148	154	98	109	120	122	123
Colombia	95	113	113	118	122	98	104	98	100	100
Venezuela	98	116	129	136	141	102	103	108	109	109
Brazil	94	113	120	105	134	97	103	103	88	107
Ecuador	98	121	126	116	124	101	111	109	97	101
Peru	97	118	117	121	120	99	110	103	103	100
Bolivia	94	105	125	122	124	96	98	112	106	106
Chile	98	104	116	122	116	100	97	104	106	98
Paraguay	95	103	112	111	118	97	96	100	97	101
Argentina	98	100	121	126	115	99	94	111	114	102
Uruguay	110	105	108	116	104	111	101	101	107	95
South America	96	111	120	113	128	98	102	104	96	106
Latin America 3/	96	111	118	116	128	98	102	103	98	105

1/ Revised. 2/ Preliminary. 3/ Production for 22 countries shown.

Source: Indices of Agricultural Production for the 20 Latin American Countries, ERS-Foreign 44 (Revised 1966), January 1966.

Table 4.--Latin America: Indices of total and per capita production of livestock products, average 1955-59 and 1960-62, and annual 1963-65 1/

(1957 - 59 = 100)

Country	Total					Per capita				
	Average 1955-59 2/	Average 1960-62 2/	1963 2/	1964 2/	1965 3/	Average 1955-59 2/	Average 1960-62 2/	1963 2/	1964 2/	1965 3/
Mexico	94	113	129	132	134	97	103	111	110	108
Cuba	99	87	79	88	81	101	82	71	77	69
Haiti	101	102	88	72	75	104	96	79	63	65
Dominican Republic	97	110	112	113	109	100	99	94	92	86
Jamaica	101	106	110	113	122	102	101	99	99	104
Trinidad and Tobago	89	86	87	91	98	91	79	75	76	80
Caribbean	98	92	85	91	86	101	85	76	78	72
Guatemala	94	101	107	109	110	97	92	92	91	89
Honduras	96	114	129	132	139	99	104	111	110	112
El Salvador	99	102	100	100	100	102	93	85	82	80
Nicaragua	98	105	109	107	107	101	96	95	90	87
Costa Rica	98	102	101	116	119	102	90	81	90	89
Panama	95	111	129	133	124	97	102	111	112	101
Central America	97	104	108	110	110	100	95	92	91	88
Colombia	95	107	115	119	124	97	98	100	101	102
Venezuela	94	125	141	155	166	97	111	118	124	129
Brazil	95	104	108	104	113	98	95	93	87	91
Ecuador	90	134	147	152	158	92	123	127	128	128
Peru	96	108	112	112	115	98	100	98	96	96
Bolivia	94	104	108	110	112	96	97	96	96	96
Chile	96	101	103	106	95	99	94	92	92	81
Paraguay	98	98	97	101	104	100	92	87	89	89
Argentina	100	95	108	94	94	102	90	99	85	83
Uruguay	102	110	118	124	118	103	106	110	115	108
South America	97	103	111	107	110	99	95	97	91	91
Latin America 3/	97	103	110	108	111	99	95	96	92	91

1/ Livestock products include red meat, milk, and wool for most countries. For Mexico and Chile, allowances have been made for international trade in live cattle. 2/ Revised. 3/ Preliminary. 4/ Production for 22 countries shown.

Source: Indices of Agricultural Production for the 20 Latin American Countries, ERS-Foreign 44 (Revised 1966), January 1966.

Table 5.--Western Hemisphere: Area and production of selected agricultural products by principal countries, average 1955/56-1959/60, annual 1963/64, preliminary 1964/65, and forecast 1965/66 1/

Commodity by country	Area 2/				Production			
	Average 1955/56-1959/60	1963/64	1964/65	1965/66	Average 1955/56-1959/60	1963/64	1964/65	1965/66
	1,000 hectares				1,000 metric tons			
Wheat								
United States	19,882	18,296	19,879	19,957	29,811	31,080	35,126	36,108
Argentina	4,694	5,676	5,794	4,856	6,143	8,940	10,100	6,500
Canada	9,199	11,156	12,014	11,446	12,672	19,689	16,341	18,450
Mexico	896	787	797	835	1,215	1,766	2,100	2,099
Other	2,930	2,106	2,194	2,191	2,638	2,076	2,958	2,861
Total Hemisphere	37,601	38,021	40,678	39,285	52,529	63,551	66,625	66,018
Total world	199,760	203,483	212,144	206,599	216,258	226,111	252,946	245,135
Rice, rough								
Brazil	2,641	4,170	3,966	n.a.	4,057	5,818	6,300	6,300
United States	626	717	723	726	2,238	3,187	3,318	3,490
Colombia	196	254	302	332	364	550	600	665
Mexico	115	135	133	160	240	296	274	360
Central America	194	219	255	234	235	273	304	305
Other	669	697	769	n.a.	1,487	1,584	1,845	1,412
Total Hemisphere	4,441	6,192	6,148	6,143	8,621	11,708	12,641	12,532
Total world 3/	82,842	92,110	92,798	92,595	132,800	164,800	168,800	164,100
Corn								
United States	26,876	24,504	23,186	23,088	82,166	103,928	91,028	105,946
Brazil	6,132	7,200	8,523	8,498	7,695	9,378	12,312	11,430
Mexico	5,784	6,791	7,200	7,204	4,842	6,424	7,100	7,620
Argentina	2,370	2,943	3,062	3,845	4,083	5,350	5,140	7,000
Canada	208	224	267	304	780	919	1,345	1,515
Central America	1,413	1,591	1,612	1,670	1,121	1,404	1,493	1,495
Other	2,272	2,615	2,654	n.a.	2,489	2,768	2,024	2,025
Total Hemisphere	45,055	45,868	46,504	n.a.	103,176	130,171	120,442	137,031
Total world	92,879	101,207	101,361	n.a.	164,592	204,216	197,912	n.a.
Other coarse grains 4/								
United States	25,888	19,598	18,108	17,553	39,409	38,720	34,887	40,654
Canada	8,415	7,168	6,377	6,858	12,375	12,923	10,314	12,682
Argentina	3,405	2,935	2,670	2,641	3,475	3,920	3,241	2,556
Other	1,526	2,372	1,778	2,175	1,127	2,411	2,571	3,266
Total Hemisphere	39,234	32,073	28,933	29,227	56,386	57,974	51,013	59,158
Sugar, centrifugal (raw)								
Cuba	1,078	n.a.	n.a.	n.a.	5,337	4,000	6,000	6,000
Brazil	1,164	1,509	1,511	1,640	2,821	3,284	3,767	4,152
United States	454	690	795	713	2,413	3,880	4,052	3,720
Mexico	257	352	n.a.	n.a.	1,252	1,902	2,068	2,305
Peru	44	49	n.a.	n.a.	726	784	799	820
Central America	n.a.	n.a.	n.a.	n.a.	243	484	550	567
Other	n.a.	n.a.	n.a.	n.a.	5,757	6,649	6,797	7,301
Total Hemisphere	n.a.	n.a.	n.a.	n.a.	18,549	20,983	24,034	24,865
Total world (cane and beet)	n.a.	n.a.	n.a.	n.a.	44,986	54,234	65,311	63,508
Beans, dry								
Brazil	2,227	2,984	3,130	2,680	1,488	1,942	1,951	1,930
Mexico	1,292	1,700	2,000	2,250	464	700	892	903
United States	598	573	588	620	789	935	807	748
Chile	87	94	89	87	77	85	95	89
Other	n.a.	n.a.	n.a.	n.a.	478	508	521	524
Total Hemisphere	n.a.	n.a.	n.a.	n.a.	3,296	4,170	4,266	4,194

Footnotes at end of table.

Table 5.--Western Hemisphere: Continued

Commodity by country	Area 2/				Production			
	Average 1955/56-1959/60	1963/64	1964/65	1965/66	Average 1955/56-1959/60	1963/64	1964/65	1965/66
	1,000 hectares				1,000 metric tons			
Potatoes, white, sweet, and yams								
United States	672	624	598	650	11,992	13,044	11,552	13,921
Brazil	301	352	367	377	2,070	2,714	2,862	2,930
Argentina	245	203	214	240	1,705	1,819	1,834	2,830
Canada	125	115	113	121	1,842	2,077	2,165	2,037
Peru	236	247	257	257	1,279	1,389	1,452	1,480
Other	n.a.	n.a.	n.a.	n.a.	4,087	7,420	7,593	7,867
Total Hemisphere	n.a.	n.a.	n.a.	n.a.	22,975	28,463	27,458	31,065
Yuca (cassava)								
Brazil	1,197	1,618	1,716	1,750	15,516	19,570	24,356	25,000
Paraguay	101	115	115	115	1,408	1,535	1,550	1,550
Peru	20	29	30	30	280	395	418	420
Venezuela	43	25	27	27	192	342	375	375
Argentina	21	19	21	21	273	231	240	260
Other	n.a.	n.a.	n.a.	n.a.	2,861	6,048	3,305	3,419
Total Hemisphere	n.a.	n.a.	n.a.	n.a.	19,122	26,586	28,694	29,474
Bananas								
Brazil	165	291	219	220	4,542	6,600	6,600	6,700
Ecuador 5/	88	160	150	150	1,830	2,320	1,800	2,000
Colombia	47	56	58	58	525	580	590	590
Central America	n.a.	n.a.	n.a.	n.a.	6/1,818	6/1,958	6/2,071	6/2,417
Other	n.a.	n.a.	n.a.	n.a.	2,690	3,668	3,641	3,763
Total Hemisphere	n.a.	n.a.	n.a.	n.a.	11,405	15,126	14,702	15,470
Oranges, incl. tangerines								
United States					5,057	3,766	4,880	5,172
Brazil					1,569	1,175	1,125	1,375
Mexico		Not available			642	800	860	865
Argentina					562	711	715	615
Apples 7/								
United States 8/					2,530	2,737	3,031	2,955
Canada					348	501	435	472
Argentina					357	474	371	486
Other		Not available			141	18	n.a.	n.a.
Total Hemisphere					3,376	3,730	n.a.	n.a.
Pears 7/								
United States					651	422	653	438
Canada 8/					30	37	44	22
Argentina		Not available			99	98	105	106
Other					86	93	n.a.	n.a.
Total Hemisphere					866	650	n.a.	n.a.
Soybeans								
United States	8,638	11,566	12,446	13,983	13,170	19,034	19,103	22,962
Brazil	95	340	312	361	125	323	304	452
Canada	99	92	93	107	168	136	190	219
Other	11	55	63	86	11	83	57	147
Total Hemisphere	8,843	12,053	12,914	14,537	13,474	19,576	19,654	23,780
Total world	22,135	22,738	23,936	25,357	24,339	28,327	28,117	32,553
Peanuts								
United States	607	570	569	583	725	917	1,000	1,130
Brazil	197	423	429	464	245	604	470	662
Argentina	213	266	344	380	237	312	333	439
Other	177	212	194	208	181	217	197	159
Total Hemisphere	1,194	1,471	1,536	1,635	1,388	2,050	2,000	2,390
Total world	15,472	17,186	17,944	18,116	13,417	15,167	16,308	15,803

--Continued

Table 5.--Western Hemisphere: continued

Commodity by country	Area 2/				Production			
	Average 1955/56-1959/60	1963/64	1964/65	1965/66	Average 1955/56-1959/60	1963/64	1964/65	1965/66
	1,000 hectares				1,000 metric tons			
Cottonseed								
United States	5,914	5,752	5,687	5,512	4,872	5,617	5,647	5,636
Mexico	919	795	783	801	885	918	1,043	1,045
Brazil	1,748	2,327	2,327	2,226	649	1,002	914	875
Central America	159	255	360	370	184	496	582	536
Peru	238	275	263	263	250	303	312	279
Other	741	939	906	896	381	437	524	510
Total Hemisphere	9,719	10,343	10,328	10,068	7,221	8,773	9,022	8,881
Total world	32,780	32,578	32,902	33,007	19,314	21,823	22,762	22,812
Milk								
United States					56,125	56,704	57,425	56,927
Canada					7,783	8,361	8,389	8,321
Brazil					4,400	5,542	5,641	6,331
Argentina 9/					4,711	4,778	4,816	4,634
Mexico 10/					2,410	3,577	3,913	4,000
Colombia					1,569	1,833	1,900	2,000
Other 10/					4,793	5,180	5,408	5,210
Total Hemisphere					81,791	85,975	87,492	87,433
Beef and veal 11/								
United States					6,902	7,871	8,827	8,909
Argentina					2,313	2,605	2,080	2,100
Brazil					1,332	1,361	1,358	1,416
Canada					596	697	768	866
Mexico					385	483	493	507
Colombia					301	391	407	420
Uruguay					249	321	368	336
Other					847	922	1,219	946
Total Hemisphere					12,925	14,651	15,520	15,500
Total 44 selected countries					22,156	26,770	26,956	n.a.
Pork 11/								
United States					4,995	5,642	5,684	5,203
Argentina					180	157	179	190
Brazil					458	574	462	513
Canada					444	444	481	476
Mexico					180	208	210	216
Other					283	301	308	318
Total Hemisphere					6,540	7,326	7,324	6,916
Total 44 selected countries					17,548	20,353	19,640	n.a.
Coffee								
Brazil	3,745	4,286	3,622	3,622	1,698	1,692	600	2,040
Colombia	793	840	840	845	422	492	480	480
Central America	n.a.	n.a.	n.a.	n.a.	256	349	332	373
Mexico	268	285	272	257	103	171	161	177
Other	n.a.	n.a.	n.a.	n.a.	263	277	295	295
Total Hemisphere	n.a.	n.a.	n.a.	n.a.	2,742	2,981	1,868	3,365
Total world	n.a.	n.a.	n.a.	n.a.	3,498	4,259	3,104	4,694
Cocoa beans								
Brazil	412	430	430	430	173	123	116	159
Ecuador	160	167	160	160	32	36	46	44
Dominican Republic	n.a.	n.a.	n.a.	n.a.	34	39	40	38
Mexico	46	68	n.a.	n.a.	14	17	21	22
Venezuela	71	70	70	70	15	22	20	20
Colombia	33	32	35	37	13	14	15	17
Other	n.a.	n.a.	n.a.	n.a.	34	35	41	36
Total Hemisphere	n.a.	n.a.	n.a.	n.a.	315	286	299	336
Total world	n.a.	n.a.	n.a.	n.a.	887	1,221	1,527	1,266

Footnotes at end of table.

Table 5.--Western Hemisphere: Continued

Commodity by country	Area 2/				Production			
	Average 1955/56-1959/60	1963/64	1964/65	1965/66	Average 1955/56-1959/60	1963/64	1964/65	1965/66
	1,000 hectares				1,000 metric tons			
Cotton								
United States	5,914	5,752	5,689	5,512	2,833	3,339	3,305	3,279
Mexico	919	795	783	801	443	459	521	523
Brazil	1,748	2,327	2,327	2,226	324	501	457	435
Central America	159	255	360	370	89	234	275	255
Peru	238	275	263	263	113	136	140	125
Other	741	939	906	896	173	202	241	233
Total Hemisphere	9,719	10,343	10,328	10,068	3,975	4,871	4,939	4,850
Total world	32,780	32,578	32,902	33,007	9,555	10,925	11,326	11,311
Sisal								
Brazil	110	186	160	165	108	205	216	240
Other	n.a.	n.a.	n.a.	n.a.	46	32	35	n.a.
Total Hemisphere	n.a.	n.a.	n.a.	n.a.	154	237	251	n.a.
Total world	n.a.	n.a.	n.a.	n.a.	532	665	698	726
Henequen								
Mexico	158	178	178	174	118	136	144	142
Other	n.a.	n.a.	n.a.	n.a.	13	15	14	n.a.
Total Hemisphere	n.a.	n.a.	n.a.	n.a.	131	151	158	n.a.
Total world	n.a.	n.a.	n.a.	n.a.	131	151	158	n.a.
Wool 12/								
Argentina					190	191	201	194
United States					138	130	120	113
Uruguay					81	88	86	84
Other					72	83	83	85
Total Hemisphere					81	492	490	476
Total world					2,342	2,640	2,629	2,527
Tobacco								
United States	503	476	436	396	868	1,063	1,010	868
Brazil	180	220	197	228	139	187	137	190
Canada	51	46	34	40	75	91	70	80
Mexico	36	27	30	34	34	34	41	42
Cuba	60	37	37	37	50	32	20	32
Other	122	151	139	157	133	195	179	181
Total Hemisphere	952	957	873	892	1,299	1,602	1,457	1,413
Total world	3,771	3,939	4,028	4,047	3,864	4,357	4,652	4,481

1/ Time reference is the same as commodity data published by FAS. Livestock is on a calendar year basis for the first year shown. Crop production data are calendar year harvests, with certain exceptions. Wheat, rice, corn, and other coarse grains are split year production with crops of the Northern Hemisphere combined with crops immediately following in the Southern Hemisphere. Sugar is national campaigns which start in the period May 1 to April 30; cotton and cottonseed are harvests beginning August 1 of the first year shown; and coffee and cocoa bean output refers to harvests beginning in July of the first year shown. Data for U.S. is continental U.S. only. 2/ Harvested area as far as possible. 3/ Excluding Communist Asia (China, North Korea, and North Vietnam). 4/ Includes barley, oats, rye, grain sorghum, and millet, and mixed grains for Canada. 5/ Exportable type. 6/ Excludes negligible Nicaraguan production. 7/ Dessert and cooking. 8/ Commercial crop. 9/ Commercial use only. 10/ Includes goat milk. 11/ Carcass weight basis. 12/ Greasy basis. n.a. = Not available.

Sources: Economic Research Service, USDA; and Foreign Agricultural Service, USDA.

Table 6.--Western Hemisphere: Exports and imports of selected agricultural commodities by principal countries, average 1955-59, annual 1963, preliminary 1964, and estimated 1965

Exports by country	Average 1955-59	1963	1964	1965	Imports by country	Average 1955-59	1963	1964	1965
	1,000 metric tons					1,000 metric tons			
Wheat 1/					Wheat 1/				
United States	11,395	19,498	23,196	19,587	Brazil	1,641	2,187	2,609	1,573
Canada	7,892	11,600	14,520	13,000	Cuba	234	456	380	457
Argentina	2,708	1,846	3,729	6,662	Peru	304	753	393	429
Mexico	2/	72	576	350	Venezuela	270	358	533	425
Other	298	62	2	10	Central America	205	191	258	277
Total Hemisphere	22,293	33,078	42,023	39,609	Chile	135	364	226	417
					Colombia	113	93	170	200
					United States	241	131	77	27
					Jamaica	115	125	115	120
					Other	542	622	n.a.	n.a.
					Total Hemisphere	3,800	5,280	n.a.	n.a.
Rice, milled					Rice, milled				
United States	704	1,197	1,331	1,576	Cuba	166	190	286	275
British Guiana	42	85	82	81	Canada	35	47	46	50
Ecuador	23	34	31	0	Trinidad and Tobago	23	28	29	30
Uruguay	12	14	26	0	Jamaica	18	23	27	27
Brazil	33	0	12	189	Peru	17	1	52	90
Other	54	32	63	n.a.	Chile	3	10	10	25
Total Hemisphere	868	1,362	1,545	n.a.	Other	84	3/96	3/65	n.a.
					Total Hemisphere	346	395	515	n.a.
Corn					Corn				
United States	4,082	11,117	12,182	15,097	Canada	242	583	528	400
Argentina	1,316	2,447	3,337	2,800	Cuba	19	86	180	200
Brazil	16	700	62	628	El Salvador	19	23	37	48
Mexico	13	2/	282	985	Mexico	356	466	35	20
Other	64	36	60	69	United States	30	24	24	22
Total Hemisphere	5,491	14,300	15,923	18,594	Other	59	46	39	42
					Total Hemisphere	725	1,228	843	732
Other coarse grains 4/					Other coarse grains 4/				
United States	4,130	4,325	4,310	6,069	United States	690	225	332	237
Canada	1,924	944	1,263	1,035	Brazil	4	32	79	90
Argentina	1,150	759	1,970	1,000	Mexico	40	2	60	62
Other	16	15	15	15	Other	66	172	87	33
Total Hemisphere	7,220	6,043	7,558	8,119	Total Hemisphere	800	431	558	422
Sugar (raw value)					Sugar (raw value)				
Cuba	5,194	3,521	4,176	5,200	United States	3,922	4,058	3,258	2,972
Other Caribbean	907	1,160	1,064	1,100	Canada	650	753	767	411
Dominican Republic	675	652	661	600	Chile	213	265	151	169
Brazil	502	527	253	800	Uruguay	80	50	40	45
Mexico	108	397	524	542	Other	126	41	22	30
Peru	463	496	425	410	Total Hemisphere	4,991	5,167	4,238	3,627
British Guiana	264	296	253	350					
Central America	34	182	216	222					
Argentina	37	330	45	60					
Other	96	118	81	100					
Total Hemisphere	8,280	7,679	7,698	9,384					
Beans, dry					Beans, dry				
United States	118	209	147	140	El Salvador	4	15	16	19
Mexico	4	32	20	40	Venezuela	2	16	16	12
Chile	22	16	22	28	Other Cen. America	4	2	9	5
Canada	negl.	13	15	22	Other	5/30	5/13	12	9
Other	4	14	5	2	Total Hemisphere 6/	40	46	53	45
Total Hemisphere 6/	148	284	209	232					

Footnotes at end of table.

Table 6.--Western Hemisphere: Continued

Exports by country	Average 1955-59	1963	1964	1965	Imports by country	Average 1955-59	1963	1964	1965
	1,000 metric tons					1,000 metric tons			
Bananas					Bananas				
Ecuador	816	1,324	1,358	1,200	United States	1,615	1,531	1,493	1,658
Central America	1,027	1,036	1,039	1,115	Argentina	200	204	186	200
Caribbean, except Cuba	439	626	530	520	Canada	143	151	157	165
Brazil	221	206	225	270	Chile	17	64	23	32
Colombia	210	202	191	180	Other	18	30	34	34
Other	26	11	13	15	Total Hemisphere 6/	1,993	1,980	1,893	2,089
Total Hemisphere 6/	2,739	3,405	3,356	3,300					
Oranges, including tangerines					Oranges, including tangerines				
United States	293	160	193	175	Canada	189	144	177	175
Brazil	64	144	97	135	United States	11	56	57	55
Mexico	33	42	37	70	Other	18	9	6	5
Other	24	27	33	30	Total Hemisphere	218	209	240	235
Total Hemisphere	414	373	360	410					
Apples					Apples				
Argentina	95	245	134	250	Brazil	31	64	42	45
United States	65	67	98	114	Canada	22	17	28	32
Canada	48	66	66	56	United States	24	37	26	20
Other	8	negl.	16	20	Other	22	23	24	23
Total Hemisphere	213	378	314	440	Total Hemisphere	99	141	120	120
Pears					Pears				
Argentina	31	42	43	45	Canada	12	7	11	10
United States	27	19	26	25	Brazil	8	10	10	10
Other	2	5	3	3	Other	13	14	5	5
Total Hemisphere	60	66	72	73	Total Hemisphere	33	31	26	25
Soybeans					Soybeans				
United States	2,353	4,755	5,702	6,104	Canada	286	386	498	450
Canada	49	44	52	116	Other	11	26	38	42
Brazil	37	33	0	60	Total Hemisphere	297	412	536	492
Other	negl.	10	negl.	negl.					
Total Hemisphere	2,439	4,842	5,754	6,280					
Soybean oil 7/					Soybean oil 7/				
United States	295	501	578	512	Chile	8	22	13	15
Canada	12	21	11	14	Canada	12	13	19	15
Other	0	2/	0	0	Peru	2	13	11	8
Total Hemisphere	307	522	589	526	Other	20	33	38	36
					Total Hemisphere	42	81	81	74
Peanuts (in shell) 8/					Peanuts (in shell) 8/				
United States	24	26	56	45	Canada	34	38	42	50
Brazil	7	22	negl.	30	United States	18	2	1	negl.
Mexico	20	16	10	10	Other	0	0	0	0
Other	1	negl.	negl.	negl.	Total Hemisphere	52	40	43	50
Total Hemisphere	52	64	66	85					
Peanut oil 7/					Peanut oil 9/				
United States	4	4	37	45	Total Hemisphere	11	17	20	23
Argentina	19	36	2/	12					
Other	negl.	9	negl.	negl.					
Total Hemisphere	23	49	37	57					
Cottonseed					Cottonseed 9/				
Nicaragua	66	89	106	130	Total Hemisphere	10	5	8	10
United States	11	5	8	5					
Other	8	32	40	40					
Total Hemisphere	85	126	154	175					
Cottonseed oil					Cottonseed oil				
United States	207	167	274	252	Canada	14	17	21	26
Argentina	2	2	2/	2	Venezuela	1	10	12	7
Other	2	6	4	6	Other	10/27	4	6	6
Total Hemisphere	211	175	278	260	Total Hemisphere	42	31	39	39

--Continued

Table 6.--Western Hemisphere: Continued

Exports by country	Average 1955-59	1963	1964	1965	Imports by country	Average 1955-59	1963	1964	1965
	1,000 metric tons					1,000 metric tons			
Meat, excluding poultry 11/					Meat, excluding poultry 11/				
Argentina	631	838	706	530	United States	345	946	691	636
Uruguay	49	98	153	110	Canada	31	91	63	44
United States	68	120	143	75	Other	36	19	28	30
Canada	51	36	45	63	Total Hemisphere	412	1,056	782	710
Brazil	44	25	37	70					
Mexico	22	41	23	23					
Other	19	31	28	28					
Total Hemisphere	884	1,189	1,135	899					
Wool (actual weight)					Wool (actual weight)				
Argentina	183	131	98	125	United States	254	167	128	150
Uruguay	74	46	35	40	Canada	16	8	9	18
Other	34	19	30	31	Mexico	15	8	11	10
Total Hemisphere	291	196	163	196	Other	3	10	7	8
					Total Hemisphere	288	193	155	186
Coffee, green					Coffee, green				
Brazil	902	1,171	897	808	United States	1,262	1,433	1,369	1,277
Colombia	331	368	385	329	Canada	53	78	75	63
Central America	211	300	272	317	Other	39	47	8	7
Other	212	232	262	250	Total Hemisphere	1,354	1,558	1,452	1,347
Total Hemisphere	1,656	2,071	1,814	1,704					
Cocoa beans					Cocoa beans				
Brazil	108	69	75	135	United States	226	286	271	325
Ecuador	27	35	27	35	Canada	12	15	18	15
Dominican Republic	22	24	25	30	Other	18	15	21	25
Venezuela	15	13	12	11	Total Hemisphere 6/	256	316	310	365
Central America	10	11	11	12					
Other Caribbean	12	9	9	8					
Other	6	21	3	5					
Total Hemisphere 6/	200	182	162	236					
Cotton 12/					Cotton 12/				
United States	1,153	747	1,257	913	Canada	76	72	102	88
Mexico	343	413	310	352	United States	31	30	29	26
Brazil	91	250	223	191	Chile	17	26	26	32
Central America	84	174	213	231	Cuba	7	10	11	12
Peru	96	128	111	102	Uruguay	8	3	7	8
Other	18	85	52	34	Other	19	14	24	29
Total Hemisphere	1,785	1,797	2,166	1,824	Total Hemisphere	158	155	199	195
Sisal and henequen 13/					Sisal and henequen 13/				
Brazil	99	130	145	150	United States	132	92	84	90
Haiti	34	19	18	18	Canada	31	43	39	35
Mexico	24	30	22	10	Other	5	11	12	13
United States 14/	25	17	9	9	Total Hemisphere	168	146	135	138
Other	5	2	2	2					
Total Hemisphere	187	198	196	189					
Tobacco					Tobacco				
United States	227	229	233	216	United States	59	76	77	88
Brazil	29	44	60	52	Uruguay	4	3	4	3
Canada	17	18	24	20	Other	8	10	8	9
Cuba	24	16	14	18	Total Hemisphere	71	89	89	100
Colombia	5	11	16	17					
Dominican Republic	12	17	25	13					
Other	7	39	34	35					
Total Hemisphere	321	374	406	371					

1/ Includes flour in wheat equivalent. 2/ Less than 500 tons. 3/ Imports by Dominican Republic were insignificant for 1955-59 but reached 37,000 tons for 1963 and 20,000 tons for 1964. 4/ Includes barley, rye, oats, grain sorghums and millet. 5/ Includes imports for Mexico of 17,000 tons, average 1955-59, and 9,000 tons for 1963. 6/ Includes major countries which largely account for Hemisphere trade. 7/ Crude and refined as such. 8/ Shelled peanuts equal 0.665 of in-shell. 9/ No significant imports in the Hemisphere. 10/ Includes imports of 21,000 tons for Argentina. 11/ Carcass-weight basis. 12/ Marketing year August-July average 1955-59 is 1955/56-1959/60; 1963 is 1962/63; 1964 is 1963/64; 1965 is 1964/65. Converted from bales of 480 pounds net weight. 13/ Includes other agave fibers. 14/ Re-exports. n.a. = not available.

Sources: Economic Research Service, USDA; Foreign Agricultural Service, USDA; Food and Agricultural Organization, U.N.; and official government reports.

Table 7.--Western Hemiaphere: Grosa national product, gross national product per capita, foreign exchange and gold holdings, population and per capita food availability, selected years 1/

Country	Gross national product						Foreign exchange and gold holdings 2/			Population			Per capita food availability		
	Total			Per capita											
	1964 3/	1965 4/	Percentage change	1964	1965	Percentage change	1964	1965	Percentage change	1958	1965	Annual change	1956-58	1959-61	Percentage change
	Million dollars	Million dollars	Percent	Dollars	Dollars	Percent	Million dollars	Million dollars	Percent	Thousands	Thousands	Percent	Calories	Calories	Percent
Canada	43,600	47,500	8.9	2,262	2,423	7.1	2,881	3,025	5.0	17,120	19,600	1.9	3,100	3,100	0
United States	628,700	675,600	7.5	3,272	3,472	6.1	16,672	15,721	-5.7	174,154	194,583	1.6	3,170	3,190	.6
Mexico	17,981	19,128	6.4	456	471	3.3	583	529	-9.3	32,866	40,643	3.1	2,480	2,580	4.0
Cuba	2,645	2,751	4.0	359	366	1.9	n.a.	n.a.	n.a.	6,548	7,631	2.2	2,910	2,730	-6.2
Haiti	276	280	1.4	61	61	0	5/3	5/2	-33.3	3,987	4,625	2.1	1,830	1,780	-2.7
Dominican Republic	830	700	-15.7	240	196	-18.3	41	6/42	2.4	2,813	3,580	3.1	2,020	2,020	0
Jamaica	725	761	5.0	404	414	2.5	97	97	0	1,579	1,840	2.2	2,190	2,270	3.7
Trinidad and Tobago	588	623	6.0	614	632	2.9	n.a.	n.a.	n.a.	801	986	3.0	2,390	2,470	3.3
Caribbean	5,064	5,115	1.0	7/280	7/277	-1.1	n.a.	n.a.	n.a.	15,728	18,662	2.5	7/2,380	7/2,300	-3.4
Guatemala	,292	1,349	4.4	300	305	1.7	60	59	-1.7	3,580	4,430	3.1	2,080	1,970	-5.3
Honduras	462	500	8.2	211	221	4.7	20	29	45.0	1,820	2,260	3.1	2,190	2,330	6.4
El Salvador	756	800	5.8	268	275	2.6	53	59	11.3	2,320	2,910	3.3	2,190	2,000	-8.7
Nicaragua	482	506	5.0	301	307	2.0	39	56	43.6	1,340	1,650	3.0	2,330	2,190	-6.0
Costa Rica	511	537	5.1	368	379	.5	19	20	5.3	1,080	1,450	4.3	2,590	2,520	-2.7
Panama	527	548	4.0	437	441	.9	19	6/31	63.2	1,012	1,243	3.0	2,380	2,370	-.4
Central America	4,030	4,240	5.2	7/298	7/304	2.0	210	254	21.0	11,152	13,943	3.2	7/2,230	7/2,150	-3.6
Colombia	8/3,822	8/3,947	3.3	231	232	.4	124	96	-22.6	13,968	17,000	2.8	2,340	2,280	-2.6
Venezuela	7,069	7,465	5.6	832	850	2.2	831	790	-4.9	6,815	8,700	3.7	2,170	2,330	7.4
Brazil	20,019	21,420	7.0	251	261	4.0	368	601	63.3	66,348	82,160	3.1	2,610	2,710	3.8
Ecuador	1,003	1,053	5.0	209	213	1.9	52	45	-13.5	4,039	4,951	3.0	2,060	2,100	1.9
Peru	8/2,657	8/2,816	6.0	234	241	3.0	160	188	17.5	9,681	11,666	2.7	1,900	2,060	8.4
Bolivia	499	524	5.0	120	123	2.5	22	31	40.9	3,622	4,245	2.3	1,920	2,010	4.7
Chile	4,624	4,730	2.3	556	555	-.2	89	116	30.3	7,241	8,515	2.3	2,670	2,610	-2.2
Paraguay	380	400	5.2	200	206	3.0	7	6	-14.3	1,665	1,940	2.2	2,490	2,400	-3.6
Argentina	16,303	17,526	7.5	764	807	5.6	153	198	29.4	19,244	21,715	1.7	3,290	3,220	-2.1
Uruguay	1,309	1,325	1.2	488	488	0	190	195	2.6	2,483	2,717	1.3	2,950	3,030	2.7
South America	57,685	61,206	6.1	7/362	7/374	3.3	1 996	2,266	13.5	135,106	163,689	2.8	7/2,580	7/2,630	1.
Total Latin America	84,760	89,689	5.8	7/368	7/379	3.0	9/2,930	9/3,190	8.9	194,852	236,937	2.8	7/2,530	7/2,570	1.6
Total Hemisphere	757,060	812,789	7.4	7/1,714	7/1,802	5.1	9/22,483	9/21,936	-2.4	386,126	451,120	2.2	7/2,840	7/2,870	1.1

1/ Includes 24 countries listed only. Excludes U.S., British, French, and Netherlands dependencies, territories, and associated area in the Hemisphere which had a total estimated population of 5.6 million in 1965, with an approximate annual population growth rate of 2.4 percent. 2/ Includes gold, foreign exchange, and reserve positions in the International Monetary Fund, end of 1964 and end of third quarter 1965. 3/ Preliminary. 4/ Forecast. 5/ Foreign assets held by National Bank of Haiti. 6/ End of second quarter. 7/ Weighted average. 8/ Colombia in terms of 1958 dollars and Peru in terms of 1960 dollars. 9/ Excludes Cuba, and Trinidad and Tobago.

Sources: Economic Research Service, USDA; Foreign Agricultural Service, USDA; International Monetary Fund; the United Nations; and official government reports.

Table 8.--Prices of selected agricultural commodities in U.S. dollars, and price indexes, averages 1955-59 and 1960-62, annual 1963-65

Commodity	Unit	Market	Prices 1/					Price indexes (1955-59=100)			
			1955-59	1960-62	1963	1964	1965	1960-62	1963	1964	1965 2/
			Dollars								
Wheat	Bushel	United States	2.15	2.05	2.18	1.88	1.55 (Jan-Oct)	95	101	87	72
	do.	Canada	1.73	1.75	1.83	1.90	1.80 (Jan-Oct)	101	106	110	104
	do.	Argentina	1.66	1.64	1.73	1.78	1.53 (Jan-Aug)	99	104	107	92
Rice	100 lbs.	United States	9.16	8.70	9.30	8.60	8.29 (Jan-Oct)	95	102	94	91
Corn	Metric ton	United Kingdom	63.20	56.33	61.00	62.18	67.26 (Jan-May)	89	97	98	106
	do.	United Kingdom	69.40	58.67	67.00	68.64	71.82 (Jan-June)	85	97	99	103
Sugar	100 lbs.	Caribbean ports	3.67	3.00	7.32	5.89	2.16 (Jan-Oct)	82	199	160	59
	do.	United States	6.18	6.33	8.10	7.00	6.78 (Jan-Oct)	102	131	113	110
Bananas	100 lbs.	United States	7.37	6.27	7.62	7.98	6.91 (Jan-July)	85	103	108	94
Oranges and tangerines	100 lbs.	United States	6.67	8.27	10.00	8.80	9.02 (Jan-Nov)	124	150	132	135
Apples	100 lbs.	United States	8.06	8.64	9.34	8.85	8.84 (Jan-Nov)	107	116	110	110
Soybeans	Bushel	European ports	2.84	2.75	3.00	3.02	3.17	97	106	106	112
Soybean oil	Metric ton	European ports	290.57	245.37	222.66	229.28	279.99 (Mar-July)	84	77	79	96
Beef	100 lbs.	United Kingdom	28.57	28.15	27.26	34.75	37.19 (Jan-Oct)	99	95	122	130
Wool	100 lbs.	United States	56.26	56.33	62.40	68.20	62.93 (Jan-Oct)	100	111	121	112
	do.	Argentina	46.06	40.53	48.00	53.80	36.55 (Jan-Oct)	88	104	117	79
Coffee	100 lbs.	United States	59.98	43.09	39.55	48.80	48.32 (Jan-Oct)	72	66	81	81
	do.	United States	52.00	35.52	34.11	47.36	45.10 (Jan-Oct)	68	66	91	87
Cocoa	100 lbs.	Brazil	31.95	21.51	23.13	21.14	15.61 (Jan-July)	67	72	66	49
	do	United States	34.48	24.03	25.30	23.40	16.74 (Jan-Oct)	70	73	68	49
Cotton	100 lbs.	United States	26.98	24.43	24.30	23.80	23.57 (Jan-Sept)	90	90	88	87
Tobacco	100 lbs.	United States	55.02	60.63	58.00	57.30	58.85 (Jan-Oct)	110	105	104	107
U.N. Agricultural Export Price Index 3/								92	99	102	98
Food								90	103	106	100
Nonfood								94	94	96	96

1/ Prices are based upon the following specifications in the order in which they appear: Wheat--U.S. is No. 2 hard winter, carlots, f.o.b. track, Kansas City; Canadian is Manitoba No. 1 f.o.b. Ft. William or Port Arthur; Argentina is unit value of exports. Rice--milled, Zenith No. 2, miller to distributor, f.o.b. New Orleans. Corn--U.K. is U.S. No. 3 yellow before 1962, and No. 2 subsequently, c.i.f. October/September year; U.K. is Argentine c.i.f. April/March year. Sugar--Caribbean ports is 96° centrifugal, f.o.b. ship; U.S. is 96° centrifugal, duty paid, domestic price New York. Bananas--Central American, f.o.b. U.S. port of entry. Oranges and tangerines--unit value of exports. Apples--unit value of exports. Soybeans--U.S. No. 2, c.i.f. Soybean oil--degummed, bulk, c.i.f. Beef--first quality, English longsides, London. Wool--U.S. is raw, 47's, Boston; Argentina is greasy, unit value of exports. Coffee--U.S. is Colombian, MAMs, New York; U.S. is Brazilian, Santos No. 4, New York. Cocoa--Brazil is unit value of exports; U.S. is Ghanaian, spot, ex-warehouse New York, 1% brokerage included. Cotton--average CCC export price for 1-inch middling. Tobacco--unmanufactured, warehouse sales of flue-cured leaf. 2/ Covers period shown by prices for individual commodities and January-June U.N. export price indices. 3/ Adjusted to 1955-59 base, average of U.N. food (.54) and agricultural non-food (.46) export price indexes.

Sources: Foreign Agricultural Service, USDA; International Monetary Fund; Food and Agriculture Organization, U.N.; and Monthly Bulletin of Statistics, U.N.

Table 9.--Western Hemisphere: International agricultural commodity arrangements: Wheat agreement votes by members; coffee agreement export quotas; and U.S. sugar import quotas for Hemisphere countries 1/

Country	Vote distribution of wheat agreement		Coffee agreement export quotas		U.S. sugar import quotas 2/	
	Exporters	Importers	1964/65 3/	1965/66 4/	1965 5/	1966 6/
	Number	Number	1,000 bags 7/	1,000 bags 7/	Tons	Tons
Canada	290					
United States	290					
Mexico	5		1,411	1,423	430,936	316,222
Cuba		12	187	189		
Haiti			393	426	20,505	17,181
Dominican Republic		2	525	439	425,698	309,267
Jamaica					8/	8/
Trinidad and Tobago			61	66	8/	8/
Caribbean		14	1,166	1,120	446,203	326,448
Guatemala		3	1,257	1,403	38,768	30,682
Honduras			9/266	9/269		3,681
El Salvador		2	1,561	1,573	19,134	22,499
Nicaragua			455	464	44,830	36,409
Costa Rica		3	888	896	38,519	36,409
Panama			25	25	16,017	22,909
Central America		8	4,452	4,630	157,268	152,589
Colombia			5,620	5,669	31,010	32,726
Venezuela		14	444	448	2,606	15,545
Brazil		27	16,827	16,976	244,257	309,267
Ecuador		2	516	571	54,634	44,999
Peru		11	496	564	265,712	246,678
Bolivia			9/25	9/25		3,681
Chile						
Paraguay						
Argentina	70				62,346	38,044
Uruguay						
South America	70	54	23,928	24,253	660,565	690,940
British Honduras					4,640	8,999
Other British dependencies					134,814	123,543
French dependencies					47,399	38,863
Western Hemisphere dependencies					186,853	171,405
Total Hemisphere	655	76	30,957	31,426	1,881,825	1,657,604
World total	1,000	1,000	43,849	45,238	3,453,527	3,002,832
Hemisphere as percentage of world total	66	8	71	69	54	55

1/ The Producers International Cocoa Agreement signed in 1904, by 6 major cocoa producing countries including Brazil, the only Hemisphere member, is no longer operating. 2/ Foreign sugar quota including the Philippines. 3/ Final 1964/65 quota. 4/ Effective quota in December, basic quotas adjusted by waivers. 5/ Initial quota plus shortfalls and increases. 6/ Initial quota. 7/ Bags of 132.276 lbs. each. 8/ These countries share in the quota listed for other British dependencies. 9/ Nonmembers.

Sources: Annual Report, 1963/64, International Wheat Council; and Foreign Agricultural Service, USDA.

Table 10.--United States: Agricultural exports and imports, values by destination and source, total and Western Hemisphere, average 1955/59 and 1960/62; annual 1963, 1964; and January-June 1964, 1965

Country	U.S. exports						U.S. imports					
	1955-59	1960-62	1963	1964	January-June 1964	January-June 1965	1955-59	1960-62	1963	1964	January-June 1964	January-June 1965
	Million dollars											
Canada	341.3	478.2	596.5	615.1	284.7	288.2	203.5	183.2	174.8	175,8	79.9	90.9
Mexico	77.9	59.8	83.5	75.3	35.6	39.4	181.4	252.2	252.2	292.3	192.7	170.0
Cuba	131.1	32.9	15.2	0	0	0	404.6	114.3	6.6	4.6	2.7	1.3
Haiti	7.7	7.4	8.4	9.0	4.7	4.4	14.1	13.6	17.5	15.7	8.0	7.2
Dominican Republic	5.5	5.5	21.3	28.8	17.9	12.1	59.5	103.1	127.5	111.1	56.4	51.7
Jamaica	7.7	10.9	14.6	20.1	10.1	10.0	2.8	13.3	17.6	16.1	9.0	7.2
Trinidad and Tobago	5.6	10.2	10.2	10.3	5.0	4.7	4.3	8.6	8.0	5.9	4.0	3.5
Caribbean	157.6	66.9	69.7	68.2	37.7	31.2	485.3	252.9	177.2	153.4	80.1	70.9
Guatemala	9.8	9.5	10.4	10.9	5.7	5.6	66.6	55.2	64.6	57.8	33.3	39.0
Honduras	4.1	3.8	4.5	4.7	2.2	2.1	23.6	28.3	25.9	35.6	19.7	37.4
El Salvador	6.1	6.2	7.0	8.3	4.1	4.3	49.5	33.0	35.5	38.9	24.5	19.0
Nicaragua	3.5	3.7	4.3	7.1	4.1	3.5	18.6	21.6	31.2	29.4	15.4	17.3
Costa Rica	6.0	5.2	5.6	6.6	3.7	3.5	27.8	36.0	39.2	50.3	27.9	32.6
Panama	9.8	9.9	10.9	12.1	5.5	5.5	15.7	13.6	15.7	25.2	10.8	17.9
Central America	39.3	38.3	42.7	49.7	25.3	24.5	201.8	187.7	212.1	237.2	131.6	163.2
Colombia	27.9	24.6	26.0	27.5	16.4	11.9	344.9	237.3	206.8	230.6	94.0	91.8
Venezuela	80.1	82.3	67.7	83.5	44.4	34.9	35.7	19.4	19.6	19.8	12.8	10.5
Brazil	36.6	83.6	102.0	147.1	57.0	17.4	590.8	480.4	492.9	471.2	222.8	159.9
Ecuador	5.6	6.5	7.5	12.6	6.4	4.7	50.1	56.4	67.8	77.7	30.1	40.1
Peru	17.6	22.1	19.6	35.9	20.4	17.7	28.5	77.5	89.1	69.9	19.6	27.5
Bolivia	10.0	7.9	14.4	15.2	6.8	4.2	1.6	1.7	1.4	2.7	.8	.7
Chile	18.2	27.7	21.8	31.0	12.2	11.1	4.6	4.8	5.8	7.4	5.7	4.6
Paraguay	.7	2.2	4.3	3.6	1.9	1.2	3.4	5.9	7.4	8.9	4.1	3.4
Argentina	7.7	2.8	2.3	7.6	1.3	5.5	107.0	87.2	133.9	79.6	43.9	45.8
Uruguay	5.6	11.0	2.0	3.6	2.2	1.2	13.5	17.1	18.3	9.2	3.9	13.5
South America	210.0	270.7	267.6	367.6	169.0	109.8	1,180.1	987.7	1,043.0	977.0	437.7	397.8
Dependencies	28.7	34.8	36.4	43.1	20.9	20.9	5.4	16.2	27.4	25.0	11.8	10.0
Total Latin America	513.5	470.5	499.9	603.9	288.5	225.8	2,054.0	1,696.7	1,711.9	1,684.9	853.9	811.9
Total W. Hemisphere	854.8	948.7	1,096.4	1,219.0	573.2	514.0	2,257.5	1,879.9	1,886.7	1,860.7	933.8	902.8
Total world	3,934.6	4,961.8	5,585.4	6,347.0	3,107.0	2,855.7	3,963.8	3,796.8	4,011.2	4,082.4	2,020.0	1,916.9
Hemisphere as percentage of world total	22	19	20	19	18	18	57	50	47	46	46	47

Source: Economic Research Service, USDA.